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Category: Workforce Investment Act (WIA)
Subject#: Needs Related Payments for Adult and Dislocated Workers under WIA
Source: State/Federal
Revise/Replace: Replaces Policy Guidance Letter #99-21-E6
Contact: Employment Programs
Distribution: Workforce Region Directors, Managers, Employment and Training Program and Administrative Staff, CDLE Financial Reporting and Analysis Staff
Colorado One-Stop System Policy Guidance Letter#: 02-18-WIA
Date: May 23, 2002

I. REFERENCE(S):

Title I of the Workforce Investment Act (WIA) of 1998, Public Law 105-220, effective August 7, 1998, Section 134(e)(3) and 134 (d)(4); Federal Register, WIA – Final Rules, 20 CFR 652 et al., Part 663, Subpart H – Supportive Services, 663.815-840.

II. PURPOSE:

To replace former Program Guidance Letter (PGL) #99-21-E6 and provide updated program guidance for needs-related payments for Adult and Dislocated Workers to ensure compliance under Title I of WIA.

III. BACKGROUND:

The implementation of the Workforce Investment Act of 1998, which took effect on August 7, 1998, has provided new program guidelines for needs-related payments for Adult and Dislocated Workers, replacing those guidelines issued under the Job Training Partnership Act of 1992. The passage of WIA reformed the nation's job-training system and marked the beginning of a new opportunity to streamline services through a One-Stop delivery system. Under WIA, funds that are allocated to a local workforce area are allowed to be used for Needs-Related Payments. Needs-Related Payments (NRPs) provide financial assistance to eligible adult and dislocated workers to enable them to participate in training and education

programs.

IV: POLICY/ACTION:

A fundamental principle of WIA is to provide the local areas with the authority to make policy and administrative decisions in order to tailor the services offered through WIA to meet the needs of the local community. Local Workforce Investment Boards are required to develop policies and procedures addressing coordination of services and resources with other programs and entities. Assurances should be made that the resources and services provided are not available through other entities and that they are necessary for the individual to participate in WIA activities. Needs-Related Payments should only be provided with WIA funds when other funds are not available or have been exhausted.

The following procedures shall define the eligibility, level of payment, policy, and documentation requirements of needs-related payments for Adult and Dislocated Workers under WIA.

A. Eligibility Requirements

Adults must:

- Be unemployed, and
- Not qualify for (or have ceased to qualify for) unemployment insurance (UI) compensation, and,
- Be enrolled in a program of training services under WIA, section 134 (d)(4).

Dislocated Workers must:

- Be unemployed, and
- Have ceased to qualify for unemployment insurance compensation or trade readjustment allowances under TRA or NAFTA-TAA, and
- Be enrolled in a program of training services under WIA, section 134 (d)(4), by the end of the 13th week after the most recent layoff that resulted in a determination of the worker's eligibility for employment and training activities as a dislocated worker; or, if later, by the end of the 8th week after the worker is informed that a short-term layoff will exceed 6 months; or,
- Be unemployed and not qualified for unemployment insurance compensation or trade readjustment allowances under TRA or NAFTA-TAA.

If these eligibility requirements are met, individuals may be awarded Needs-Related Payments from WIA funding prior to the start date of training classes for the purpose of enabling them to participate in programs of employment and training services that begin within 30 calendar days. The Governor may authorize local areas to extend the 30 day grace period to address appropriate circumstances.

B. Level of Payment Determination

The payment level for adults must be established by the Local Workforce Investment Board. The level of a Needs-Related Payment made to a Dislocated Worker shall not exceed the greater of:

- The applicable weekly level of unemployment insurance compensation (for participants who were eligible for unemployment insurance compensation as a result of a qualifying dislocation), or
- If the worker did not qualify for unemployment insurance compensation, the weekly payment may not exceed the poverty level for an equivalent period. The weekly payment level must be adjusted to reflect changes in total family income as determined by Local Board policies.

WIA does not specify a minimum level of payment.

C. Needs-Related Payments Policy Requirements

Local Workforce Investment Boards that approve the use of Needs-Related Payments will need to submit their policy for approval to the Colorado Department of Labor prior to local implementation.

The policy must address the following issues:

- Determination of level of NRPs (payment amount).
- Can and/or will payments be made to participants on sick, vacation, or holiday leave?
- What attendance and academic standards will be required for payments to continue and how will this be verified?
- How many hours/credits must a participant be registered for in order to remain eligible for NRPs?
- How will Extended UI Benefits affect receiving NRPs?
- Will NRPs be suspended during periods of earned income (how will income be calculated?) and will participants have to requalify to start receiving NRPs again once the income ends?
- Who will have the authority to approve participant requests for NRPs and how will the approval process be handled?
- Who will manage the NRP program?
- Who will respond to questions and complaints?
- Documentation requirements (see “D” below)
- If an individual receives NRPs at the same time as supportive services from another program/partner, how will this be coordinated and documented?

A thorough and complete description of the payment processing system must include:

- Who will handle NRP form distribution, payment accounting, and payment processing?
- What will the payment schedule be for NRPs?
- How will participants claim payments?
- What is the maximum limit for NRPs per individual?
- How will overpayments (or the potential for overpayments) be monitored and recovered?

The policy must state that in the event of the discovery of fraudulent activity, all payments to the fraudulent party will cease and all funds paid will be recovered. All cases of fraud or suspected fraud will be forwarded to the appropriate legal authorities for prosecution.

Needs-Related Payments have been classified as non-taxable income by the I.R.S.

D. Needs-Related Payments Documentation Requirements

Each Local Workforce Investment Board will be required to specify in their local Needs-Related Payments policy how they will document the requirements for and payments from this program.

Required documentation includes:

- A copy of a UI entitlement decision or confirmation of UI benefits being exhausted.
- A copy of request for training classes for each period of training (quarter, semester, block, class, etc).
- Verification of enrollment/registration, participation, grades, and completion of training classes (confirmation from Registrar's office and course instructor).
- A signature by the participant attesting to his/her understanding of NRP requirements and instructions.
- All eligibility determinations must be documented.
- A comprehensive reporting system of all NRPs.

V. IMPLEMENTATION DATE:

Immediately upon receipt.

VI. INQUIRIES:

Please direct any questions regarding this PGL to your State Field Representative or call the Colorado Department of Labor and Employment at (303)318-8800.

Robert D. Hale, Director
Division of Employment & Training