I. REFERENCES:
   B. WIOA Regulations at 20 CFR, part 681
   C. 2 CFR part 200 of the OMB Uniform Guidance – Cost Principles
   D. TEGL 19-16: Guidance on Services Provided through the Adult and Dislocated Worker Programs under WIOA and the Wagner-Peyser Act
   E. TEGL 21-16: Third WIOA Title I Youth Formula Program Guidance
   F. PGL MIS-2017-01: Guidance on Data Integrity and the Customer Participation Cycle for WIOA Title I and TAA Programs

II. PURPOSE:
   A. To provide comprehensive guidance that ensures compliance with the WIOA requirements for the provision of needs-related payments to WIOA Title I Adult, Dislocated Worker, and Youth participants
   B. To identify the requirements for the development or revision of a local area needs-related payments policy, which is due to the appropriate Regional Liaison no later than 90 days after receipt of this Policy Guidance Letter (PGL), but only if the local area plans to utilize needs-related payments.

III. BACKGROUND:
    WIOA provides for a workforce system that is universally accessible and customer centered, with an emphasis on work based learning and classroom training that is job driven. Among the many service options available to WIOA participants are needs-related payment

    WIOA encourages the use of needs related payments whenever appropriate to ensure successful program participation. Following are guidelines for implementation of needs-related payments.

IV. POLICY/ACTION:
   A. What are needs related payments?
      Needs-related payments provide financial assistance to participants for the purpose of enabling them to participate in training, and are a supportive service authorized by WIOA. Unlike other supportive services, in order to qualify for needs-related payments, a participant must be enrolled in training.
NOTE: Needs-related payments are a supportive service, and as such,
- For Adults and DWs, they do not trigger participation status or extend participation
- For Youth, they are a youth program element, which may trigger participation status, and can extend participation.

B. Eligibility Requirements
1. Adults must:
   - Be unemployed (not underemployed); and
   - Not qualify for, or have ceased qualifying for, unemployment compensation; and
   - Be enrolled in a program of training services under WIOA, including
     - AE - Adult Literacy Education
     - CU - Customized Training
     - CN - Contextualized Learning
     - ET - Entrepreneurial Training
     - OC - Occupational Skills Training
     - OJ - On-the-Job Training
     - UP - Skills retraining/Upgrade
     - PQ - Prerequisite Training
     - OS - Other Occupational Skills Training
     - AC – Apprenticeship
     - IW – Incumbent Worker Training

2. Dislocated Workers must:
   - Be unemployed (not underemployed); and
     - Have ceased to qualify for unemployment compensation or trade readjustment allowance under TAA; and
     - Be enrolled in a program of training services under WIOA by the end of the 13th week after the most recent layoff that resulted in a determination of the worker’s eligibility 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 did not qualify for unemployment compensation or trade readjustment assistance under TAA and be enrolled in a program of training services under WIOA
   - Training services include:
     - AE - Adult Literacy Education
     - CU - Customized Training
     - CN - Contextualized Learning
     - ET - Entrepreneurial Training
     - OC - Occupational Skills Training
     - OJ - On-the-Job Training
     - UP - Skills retraining/Upgrade
     - PQ - Prerequisite Training
     - OS - Other Occupational Skills Training
     - AC – Apprenticeship
     - IW – Incumbent Worker Training
3. **Youth must:**
   - Be 18-24 years of age when receiving payments; and
   - Be participating in training services, which are defined differently for youth and do not include OJTs unless part of an apprenticeship, and do not include Incumbent Worker Training or Entrepreneurial Training, which is a youth program element.
   - Training services may include only:
     - AE - Adult Literacy Education
     - CU - Customized Training
     - CN - Contextualized Learning
     - OC - Occupational Skills Training
     - UP - Skills retraining/Upgrade
     - PQ - Prerequisite Training
     - OS - Other Occupational Skills Training
     - AC – Apprenticeship

**NOTE:** If these eligibility requirements have been met, payments may be provided if the participant has been accepted in a training program that will begin within 30 calendar days. The State authorizes local areas to extend the 30-day period in local policy to address appropriate circumstances.

C. **Level of Payment Determination**
   1. The payment level for adults must be established by the Local Workforce Development Board.
   2. The level of a Needs-Related Payment made to a Dislocated Worker shall not exceed the greater of either:
      - 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 as a result of the qualifying layoff, 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.

WIOA does not specify a minimum level of payment.

D. **Case File Documentation Requirements:** Include, but are not limited to:
   1. Needs-related payments eligibility documentation including UI or TRA entitlement decision or exhaustion for Adults or DWs, and entry of Connecting Colorado training or youth services activities
   2. A copy of request for training classes for each period of training (quarter, semester, block, class, etc), if in classroom training
   3. Verification of enrollment/registration, participation, grades, and completion of training classes (confirmation from Registrar’s office and course instructor), if in classroom training
   4. A signature by the participant attesting to his/her understanding of NRP requirements and instructions
   5. Other documentation as required by local policy
E. Needs-Related Payments Policy Requirements

The needs-related payment policy must address the following issues:

1. Eligibility for payments for Adults, Dislocated Workers and Youth
2. Establishment of limits regarding the maximum amount of funding for needs-related payments or length of time payments will be provided
3. Procedures defining when exceptions to the limits will be allowed and how these will be approved
4. Determination of the level of NRPs (payment amount)
5. Can and/or will payments be made to participants on sick, vacation, or holiday leave, if participating in OJTs or apprenticeships?
6. What attendance and academic standards will be required for payments to continue if in classroom training, and how will this be verified?
7. How many hours/credits must a participant be registered for in order to remain eligible for NRPs, if in classroom training?
8. How will Extended UI Benefits affect receiving NRPs?
9. 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?
10. Case file documentation requirements
11. Who will have the authority to approve participant requests for NRPs and how will the approval process be handled?
12. Who will manage the NRP program?
13. Who will respond to questions and complaints?
14. A thorough and complete description of the payment processing and reporting system that includes:
   • Who will handle NRP form distribution, payment accounting, and payment processing and reporting?
   • What will the payment schedule be for NRPs?
   • How will participants claim payments?
   • 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 must be forwarded to the appropriate legal authorities for prosecution.

NOTE: The IRS classifies Needs-Related Payments as non-taxable income.

V. IMPLEMENTATION DATE:

Upon receipt of this PGL. However, local needs related payments policies are due to the appropriate Regional Liaison not later than 90 days after the receipt of this PGL, but only if the local area plans to utilize needs-related payments.

VI. INQUIRIES:

If you have any questions regarding this PGL, please contact your Regional Liaison at Workforce Development Programs

[Signature]
Elise Lowe-Vaughn, Director
Workforce Programs, Policy, and Strategic Initiatives