

The State Board has made modifications to Appendix A of the State Plan. The modifications consist of descriptive changes and updates corresponding to new directives issued by the State Board and the EDD, including [WSD16-04](#) - *Rapid Response and Layoff Aversion Activities* and [WSD17-07](#) - *WIOA Youth Program Requirements*.

In addition to the descriptive changes, the modifications to Appendix A include:

- Revised List of Local Workforce Development Areas.
- Updates to state policies and procedures to provide Rapid Response.
- Updates to WIOA Youth Program Requirements and Grants for Youth Activities.
- Simple modifications to language were also completed that did not change the content of the State Plan.

## **Appendix A: Title I Program Specific Requirements and Assurances**

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Revisions to Appendix A reflect the following consolidations or name changes of Local Workforce Development Areas:

**List of Local Workforce Development Areas in the State**

Alameda County Workforce Development Board

Anaheim Workforce Development Board

Contra Costa County Workforce Development Board

Foothill Workforce Development Board [Cities of Arcadia; Duarte; Monrovia; Pasadena; Sierra Madre; and South Pasadena.

Fresno County Workforce Development Board - Workforce Connection

Golden Sierra Workforce Development Board [Placer, El Dorado, Alpine]

Humboldt County Workforce Development Board

Imperial County Workforce Development Board

Kern, Inyo, & Mono County Workforce Development Board

Kings County Workforce Development Board

Los Angeles City Workforce Development Board

Los Angeles County Workforce Development Board

Madera County Workforce Assistance Center

~~Marin County Workforce Development Board~~

~~Mendocino County Workforce Development Board~~

Merced County Workforce Development Board

Monterey County Workforce Development Board

Mother Lode Job Connection Training [Amador, Calaveras, Mariposa & Tuolumne]

~~Napa Lake Workforce Development Board~~

North Central Counties Consortium [Colusa, Glenn, Sutter, & Yuba Counties]

North Valley Job Training Consortium (NoVa) [San Mateo County and Cities of Cupertino, Los Altos, Milpitas, Mountain View, Palo Alto, San Mateo, Santa Clara & Sunnyvale]

Northern Rural Training & Employment Consortium (NoRTEC) [Butte, Del Norte, Lassen, Modoc, Plumas, Siskiyou, Shasta, Tehama & Trinity Counties]

Oakland Workforce Development Board

Orange County Workforce Development Board

Pacific Gateway Workforce Development Innovation and Opportunity Network [Long Beach, Signal Hill and LA Harbor communities]

Richmond Workforce Development Board

Riverside County Workforce Development Board

Sacramento Employment and Training Agency

San Benito County Workforce Development Board

~~San Bernardino City Workforce Development Board~~ (consolidated with the San Bernardino County Workforce Development Board)

San Bernardino County Workforce Development Board

San Diego Workforce Partnership, Inc.

San Francisco Workforce Development Board

San Joaquin County Workforce Development Board

San Luis Obispo County Workforce Development Board

Santa Ana Workforce Development Board

Santa Barbara County Workforce Development Board

Santa Cruz Workforce Development Board

San Jose/Silicon Valley WIN - Work 2 Future

Solano County Workforce Development Board

Sonoma County Workforce Development Board

South Bay Workforce Development Investment Board [Cities of El Segundo, Gardena, Hawthorne, Hermosa Beach, Inglewood, Lawndale, Manhattan Beach, Torrance, Carson, Lomita, & Redondo Beach]

Southeast Los Angeles County Workforce Development Board (SELACO) [Cities of Artesia, Bellflower, Cerritos, Downey, Hawaiian Gardens, Lakewood, & Norwalk]

Stanislaus River Valley Alliance - County Department of Workforce Development

Tulare County Workforce Development Board

Ventura County Workforce Development Board

Verdugo Workforce Development Board [Cities of Burbank, Glendale, and Pasadena)

**ADD: Workforce Alliance of the North Bay [Napa, Marin, Lake, and Mendocino]**

Yolo County Workforce Development Board

### **The process used for designating local areas and the process used for identifying region and planning regions**

The state's process used for designating local areas is included in Directive [WSD14-10](#). It includes procedures for determining "performed successfully" and "sustained fiscal integrity" are as follows:

**Performed Successfully** - a local area has achieved at least 80 percent of their local performance goal on each performance measure for PYs 2012-13 and 2013-14. (A local area is still eligible for initial designation if it achieved at least 80 percent of its local performance goal on seven or more of the performance measures during either PY 2012-13 or PY 2013-14. To remain eligible, the local area must attach a Corrective Action and Technical Assistance Plan (as required in WIA Directive WIAD06-10) to its initial local area designation and initial local board certification application.

A local area is ineligible for initial designation if it did not achieve at least 80 percent of its local performance goal on two or more performance measures during both PY 2012-13 and 2013-14.

**Sustained fiscal integrity** – the local area has not been found in violation of one or more of the following during PYs 2012-13 or 2013-14:

- Final determination of significant finding(s) from audits, evaluations, or other reviews conducted by state or local governmental agencies or DOL identifying issues of fiscal integrity or misspent funds due to the willful disregard or failure to comply with any WIA requirement, such as failure to grant priority of service or verify participant eligibility.
- Gross Negligence - defined as a conscious and voluntary disregard for the need to use reasonable care, which is likely to cause foreseeable grave injury or harm to persons, property, or both.
- Failure to observe accepted standards of administration. Local areas must have adhered to the applicable uniform administrative requirements set forth in Title 29 CFR Parts 95 and 97, appropriate Office of Management and Budget circulars or rules, WIA regulations, and state guidance. Highlights of these responsibilities include the following: timely reporting of WIA participant and expenditure data, timely completion and submission of the required annual single audit, have not been placed on cash hold for longer than 30 days (in alignment with WIOA Section 106[e][2])

The process used for identifying regions and planning regions is included in [Directive WSD15-17](#). Local Board placement in Regional Planning Units is based primarily on economic data, the location of WIOA client populations, the way these populations fit into regional economies, commute patterns between counties, and the geographic distribution of industry sectors.

While the boundaries of the proposed RPUs were largely set by giving weight to the foregoing economic data and by starting with regional economic market boundaries drawn by EDD's LMID, proposed RPU boundaries were modified to take into account the number of local areas in a region, the size of the area covered, and the boundaries and planning regions of existing regional workforce consortia.

In addition to the above, the following principles and other considerations were also applied to initially develop the boundaries of RPUs:

### **Principles**

- Local Boards will only be required to plan in one RPU.
- Local Boards will always plan in the macro-regional economic markets where the majority of their populations are located.
- RPUs respect the existing administrative boundaries of counties and Local Boards.
- Regional planning boundaries provide some deference to existing planning relationships, provided that Local Boards plan inside the macro-regional economic market where the majority of their populations reside.
- RPUs carved out of larger regional economic markets correspond, as much as possible, with the boundaries of sub-regional economic markets.

## **Other Considerations**

- RPU boundaries are typically consistent with, or nested inside, the historical economic development area boundaries determined by California's nonoperational Economic Strategy Panel.
- An examination of the location and number of Adult Education providers in the Adult Education consortia was undertaken to ensure that there were a sufficient number of providers in each RPU.

## **Appeal Process for Designation of Local Workforce Development Areas**

Section 106(b) of the Workforce Innovation and Opportunity Act (WIOA) requires the Governor to designate local workforce development areas (local area) in the state and describes the evaluation criteria to be used to complete this mandatory activity. In instances where a local area is not granted designation, the chief local elected official or his representative may file an appeal to the State Board. Further, if the appeal does not result in designation, the local chief elected official or designated representative may request a review of that determination by the federal Secretary of the Department of Labor.

This Appeal process is described below:

1. The chief local elected official or his/her representative must file a written appeal to the State Board within 15 business days from receipt of a written notification of the decision denying designation. The appeal must include the reasons and grounds for the appeal.
2. The State Board, within 30 business days of receiving an appeal of a Governor's decision to not grant designation to a local area, through its Executive Committee, shall appoint an independent hearing officer to review the appeal materials submitted by the chief local elected official or their designee.
3. The hearing officer will contact the parties no later than 10 business days after being notified of the appointment and will commence a 60 calendar day hearing process to review the appeal materials. The hearing officer also may, in his or her discretion, permit the parties to submit supplemental verbal or written testimony within that 60 day hearing process. Either party may request a hearing in lieu of a record review.
4. The hearing record will close 60 calendar days from the start of the hearing process.
5. Within 10 business days of the close of the hearing record, the hearing officer will submit a recommendation to the State Board chair and the Secretary of the Labor and Workforce Development Agency, at which time the secretary and chair will accept, reject, or modify the recommendation.

6. Within 5 business days of the final determination by the secretary and the chair, the State Board staff will inform the parties in writing of the final outcome of the appeal and provide information how the parties may request a review of the decision to the federal Secretary of the Department of Labor.

### **Appeal process for Infrastructure Funding**

In accordance with WIOA, One-Stop partners may appeal the Governor's determination on the portion of funds to be provided for One-Stop infrastructure cost and request a hearing. A written appeal and request for a hearing must be mailed to the State Board within 21 calendar days from the Governor's infrastructure cost determination.

The appeal must be in writing and state the grounds for the appeal. The appellant must describe how the Governor's infrastructure cost determination is inconsistent with proportionate share requirements, cost contribution limitations, and/or the cost contribution caps, in accordance with WIOA Notice of Proposed Rulemaking Section 678.750(b).

The appellant will be contacted within 10 calendar days of the receipt of the appeal and a hearing date will be scheduled. In order to ensure a prompt resolution of the appeal and distribution of funds in a timely manner, the appellant will receive a written decision no later than 15 calendar days after the hearing.

### **State policies or guidance for the statewide workforce development system and for use of State funds for workforce investment activities.**

Relevant California statutes are detailed in chapter seven, and this State Plan serves as a general policy framework for workforce programming in the state.

In general, California uses statewide funds to develop and fund innovative and dynamic initiatives that pilot new service delivery strategies and target specific populations throughout the state. These initiatives are aligned with the mission and direction of WIOA by assisting job seekers, especially job seekers with barriers to employment, with access to employment, education, training, and support services they need to succeed in the labor market while also matching employers with the skilled workers they need to compete in the global economy.

Below is a high level summary of several of some of California's current initiatives:

#### *Service Delivery Initiatives*

#### Workforce Accelerator Fund

The Accelerator Fund awards funds to design, develop, and implement projects that accelerate employment and reemployment strategies for California job seekers. These projects create and

prototype innovative strategies that bridge education and workforce gaps for targeted populations, and implement promising models and practices in workforce system service delivery infrastructure.

The Accelerator Fund fosters regional coordination among key partners, sector-based employment strategies, skill attainment through ‘earn and learn” and other effective training models, and development of career pathways. Innovations that emerge from the prototypes are scaled and replicated across the state to incorporate new ideas into the workforce development system. These ideas have the potential to substantially increase effectiveness, scale, and/or capacity of existing workforce system programs and funding streams that serve target populations.

Through the Accelerator Fund, California creates ground up solutions to the challenges that keep job seekers with barriers to employment from achieving success in jobs and careers. Key populations targeted by this initiative include: long-term unemployed, returning veterans, individuals with disabilities, low-income workers, CalWORKs participants, disconnected youth, ex-offenders, and parents involved in family reunification systems.

The primary goals of the Accelerator Fund include:

- Improve labor market and skills outcomes for target groups through the development of strategies that fill gaps, accelerate processes, or customize services to ensure greater access to workforce services and employment opportunities.
- Create new models for service delivery and funding alignment that can be replicated across the state and tailored to regional needs.
- Implement, replicate, and/or scale successful innovations that emerged from past statewide fund projects and initiatives.
- Leverage state investments with commitments from industry, labor, public, and community partners.

### SlingShot

The SlingShot initiative provides funding to create new strategies that achieve scalable impact. Traditional workforce, education, and economic development strategies do not have sufficient impact in helping enough workers to build needed skills, find good jobs and realize positive economic mobility. SlingShot rises to this challenge and provides a catalyst for workforce innovation and solutions.

SlingShot seeks to seed collaborative efforts by employers and industry, government, workforce and economic development, and education stakeholders within a region to identify and then work to

solve employment challenges that slow California’s economic engine – with regionally-selected solutions to regionally-defined problems.

SlingShot guiding premise contains five dimensions:

- California is a collection of distinct regional economies; aligning our work at that level will be more effective than either city/county/district level efforts or statewide strategies.
- The workforce systems must accelerate education, employment, and economic development for those Californians in danger of being left out of our state’s prosperity.
- California’s regions face no shortage of vexing workforce challenges. Slingshot offers an opportunity to take on a tough issue that if solved would meaningfully move the needle on employment.
- All strategies need to be grounded in effective use of data and metrics.
- In an era of perpetual economic volatility, traditional programs don’t solve tough workforce challenges. Slingshot encourages regional partnerships to prototype new ideas, based on strong research and development, without fear of “failure” if the effort falls short of expectations. For every impactful practice that emerges, there will be others that are tried and then dropped for lack of sufficient impact.

### *Population Specific Initiatives*

#### Disability Employment Accelerator

The Disability Employment Accelerator initiative supports local programs that facilitate employment of people with disabilities. The Disability Employment Accelerator engages businesses in high-growth industries and encourages them to develop training and service program for people with disabilities. It also promotes the development of skills so that participants can become competitive, successful and integrated members of the workforce.

#### Veteran’s Employment-Related Assistance Program

The Veteran’s Employment-Related Assistance Program awards grants to local entities that have demonstrated highly effective programs that met performance goals in serving veterans. The funds allow awardees to enhance their service-delivery infrastructure and improve partnerships with labor groups, business associations, and regional employers.

#### Work for Warriors Partnership

In 2012, the California Military Department established the Work for Warriors program. In partnership with the AJCCs, the State Board, and EDD, the Work for Warriors interagency agreement complements and enhances services to California’s veterans. The Work for Warriors program provides funding to reduce the unemployment rate among service members in the California

National Guard and Reserve by directly placing them into gainful fulltime employment. The program matches the skill sets of service members, veterans, and their spouses with the needs of civilian employers. Additionally, the program also establishes partnerships with employers who understand hiring veterans is a good business decision.

### Employer Engagement Project

The Employer Engagement Project fosters partnership with regional and statewide economic development entities to develop new strategies for employer engagement and methods to coordinate business service strategies. Employers play a vital role in the success of California's workforce. By developing partnerships with California's employers, the California workforce system thrives and creates avenues that promote innovative workforce solutions to match employers with job seekers.

### **Governor's set aside funding. Rapid Response funds, and layoff aversion strategies**

~~In California, the Governor sets aside the maximum twenty five percent (25%) of the state's Dislocated Worker allocation for the Rapid Response system and Additional Assistance (AA). Rapid Response activities have been delegated to Local Boards the California Labor Federation (CLF), Northern California Indian Development Council (NCIDC) and the Wagner Peyser agency. The State Board's policy for distributing this Dislocated Worker funding is included in Directive 14-03 and allocates fifty percent (50%) of the funds to develop and implement proactive layoff aversion strategies and/or provide rapid response activities to impacted workers. The balance of this fund is held in reserve to provide AA to Local Boards that do not have sufficient dislocated worker and/or other resources to serve increased numbers of unemployed individuals due to natural disasters, plant closings, mass layoffs or other events. These AA funds are provided to Local Boards based on applications submitted and evaluated by the state and EDD. Directive 14-03 also provides the methodology for allocating these funds and the reporting of activities carried out using these funds. California's decentralized Rapid Response system is led by staff of the Local Board. These local efforts are supported through four Regional Rapid Response Roundtables (RRRRT) partnerships, which meet on a regular basis to promote best practices, provide a forum for continuing education of the local practitioners and promote regional coordination. The four RRRRTs are comprised of the Local Boards in the regions of Southern California, the San Francisco Bay Area, the Central Valley and Northern California. This regional approach facilitates a timelier, coordinated response to local business needs and its workers, and the State Board the opportunity to communicate directly with the local staff providing these critical business and individual solutions. Partners participating in the RRRRTs include representatives from the State Board; Trade Adjustment Act (TAA); Wagner Peyser Act; EDD, CLF; NCIDC; Covered California, and DOL Region VI Consolidated Omnibus Budget Reconciliation Act (COBRA) health coverage program.~~

~~Over the last two years, the State Board has allocated \$8 million in AA funds to assist Local Areas develop and implement a proactive layoff aversion strategy. Directive 14-03 also provides Local Boards the policy framework and guidance as well as a method to document the successful efforts of these layoff aversion strategies. Many Local Areas are working in partnership with the Manufacturing~~

~~Extension Partnership entities to identify employers that are at risk of layoffs and provide business solutions to help the employer retain those employees, such as the Working Sharing Program that allows payments of unemployment insurance benefits to employees whose hours and wages have been reduced. This program helps employers avoid some of the burdens that accompany layoffs.~~

~~The State Board is working with Local Boards and their staff and partner agencies to identify accurate and efficient ways to document these efforts within CalJOBS<sup>SM</sup> and develop a Return on Investment calculation that considers such elements as jobs retained; impacted workers returned to the workforce within seven days of layoff; positive impact on the California Unemployment Insurance Fund; the employer's growth (increased sales; new employees, etc.) and the multiplier effect of these jobs being retained.~~

~~The State Board works directly with the Regional Rapid Response teams to provide and track labor market trends, increased unemployment insurance claims and public announcements through the Federal and California Worker Adjustment and Retraining Notification Act (WARN) notice systems. The WARN system is maintained by EDD and includes an alert component that quickly notifies the appropriate local elected officials and local Rapid Response team(s) when a California employer files the required WARN notice, so that these teams can respond as quickly as possible to these events. Guidance and instructions on the use of this system is included in EDD Information Notice [WSIN15-9](#). These local Rapid Response teams are comprised of Local Boards, EDD and when appropriate TAA, CLF and other partner agencies.~~

State policies and procedures to provide rapid response have been updated since the State Plan was drafted. The State Board and EDD issued [WSD16-04 - Rapid Response and Layoff Aversion Activities](#), which consolidates previous Workforce Investment Act (WIA) Rapid Response guidance into a single comprehensive directive, and distinguishes Rapid Response activities from Additional Assistance. It provides the California Workforce Development Board's (State Board) policy framework for Local Workforce Development Boards (Local Board) to design and implement a local/regional business engagement strategy and articulates the role of layoff aversion within effective Rapid Response systems.

This policy does not make any changes to the current formula allocation methods for Rapid Response funds. It also provides direction and guidance for conducting layoff aversion activities as required by the federal Workforce Innovation and Opportunity Act (WIOA).

This policy applies to all recipients of WIOA 25 Percent Dislocated Worker funds, and became effective upon release. This policy contains only state-imposed requirements. This directive finalizes Workforce Services Draft Directive WSDD-142 [http://www.edd.ca.gov/Jobs\\_and\\_Training/pubs/wsdd-142.pdf](http://www.edd.ca.gov/Jobs_and_Training/pubs/wsdd-142.pdf), issued for comment on May 6, 2016. The State Board received 12 comments. The comments did not result in any changes to the directive. This directive supersedes Workforce Services Directive WSD14-03, dated September 3, 2014.

Federal law requires that states set aside not more than 25 percent of their WIOA Dislocated Worker funding for two statewide activities:

- Rapid Response to assist workers and businesses at risk of layoff or affected by layoff.
- Additional Assistance for Local Boards to apply for if there is a significant increase in unemployment in their areas caused by plant closure, downsizing, natural disaster, or “other events.”

Federal law provides discretion to the Governor to develop specific policy. In California, current policy is to formula-allocate the Rapid Response funds (half of the total 25 percent funds) to Local Workforce Development Areas (Local Area).

California’s Rapid Response system has evolved since the implementation of WIA, with Local Boards leading innovative and proactive local Rapid Response systems. In addition, the WIOA requires states and Local Areas to include layoff aversion as an integral component of Rapid Response policy.

In response to this evolution, the State Board established a Rapid Response/Layoff Aversion Workgroup to consolidate various state guidance into a single comprehensive document and to recommend policy, consistent with the WIOA, that requires proactive business engagement and layoff aversion strategies that can assist a business to avoid layoffs through an incumbent worker training program, use of the Work Sharing Program, or in the event of layoffs, assists workers in quickly re-entering the workforce through rapid re-employment services.

## **Rapid Response**

The primary purpose of Rapid Response as stated in federal guidance is to enable affected workers to return to work as quickly as possible following a layoff, or to prevent layoffs altogether. To accomplish this, the workforce development system must be coordinated, comprehensive, and proactive in communicating with business. This includes providing labor market and workforce information, integrating industry requirements into training strategies and career pathways, brokering relationships and job connections, making services efficient and easy to access, and coordinating with regional partners to reduce duplication.

A sound business engagement infrastructure should include early warning systems, which are necessary to ensure a timely response to worker dislocations. Early indicators can be recognized in a variety of ways, including through close communication with employer representatives, industry groups, organized labor, utilities, or through local media. Rapid Response also tracks labor market trends, increased Unemployment Insurance claims, public announcements through the [California Worker Adjustment and Retraining Notification \(WARN\) Act](#) notices, and analyzes economic data to assess the health of businesses. In each region, systems should be in place to regularly monitor all potential early warning indicators and notification channels, and employers must be informed about their legal responsibilities to issue advance notifications of layoffs and closures.

It is critical that regional business engagement teams build relationships with employers, labor organizations, workforce and economic development agencies, training institutions, service providers and community-based organizations. Proactive business engagement systems rely on good intelligence. Their value to economic development efforts can be increased by providing ready access to information regarding available talent. Regions can gain a competitive edge when they can leverage accurate information about regional economic trends, labor markets, new business development, impending layoffs, regional assets, and education and training resources.

### **The Role of Layoff Aversion**

A layoff aversion strategy helps employers retain a skilled workforce and/or provides workers rapid transition to new employment, minimizing periods of unemployment. Layoff aversion is a central component of a high-performing business engagement strategy, requiring a shared responsibility among numerous partners at the state, regional, and local levels.

It is important to emphasize that Rapid Response does not stop layoffs. The intent of layoff aversion as a business engagement strategy is to provide business solutions to companies that want to save jobs. To save jobs, a business engagement team must be able to identify an at-risk company well in advance of layoffs, get executive level commitment to work together, assess the needs of the company, and deliver solutions to address risk factors. This requires a new culture of prevention and a strong infrastructure, including clarity of roles among regional partners. It requires data collection and analysis of regional labor market and industry sector trends, early warning mechanisms that can alert of problem areas and well-trained staff with capacity to build relationships among businesses, labor organizations and civic leaders.

Led by regionally coordinated Local Boards, business engagement teams should be built on regional partnerships among a range of organizations and intermediaries that can help identify and design appropriate business and employment solutions. Local Boards should include a variety of partners including the Department of Commerce's Trade Adjustment Assistance for Firms, the Manufacturing Extension Partnership or other sector-based partnerships, public and private economic development entities, Chambers of Commerce, Small Business Development Centers, community-based organizations, community colleges, local labor councils, and others.

Business engagement activities such as customized training, incumbent worker training, and work sharing strategies are among the many WIOA funded strategies that the workforce system can deploy to assist companies in averting layoffs.

As described in the Department of Labor's (DOL) [TEGL 03-15](#), incumbent worker training provides both workers and employers with the opportunity to build and maintain a quality workforce. Incumbent worker training can be used to help avert potential layoffs of employees, or to increase the skill levels of employees so they can be promoted within the company and create backfill opportunities for the employers. Under Section 134(d)(4) of WIOA, Local Boards can use up to 20 percent of their adult and dislocated worker funds to provide for the federal share of the cost of

providing incumbent worker training. Incumbent worker training needs to take into account the following factors:

- The characteristics of the participants in the program.
- The relationship of the training to the competitiveness of a participant and the employer.
- Other factors the State or Local Boards may determine appropriate (e.g., the number of employees participating in the training, wage and benefit levels of those employees [both pre and post participation earnings]), and the existence of other training and advancement opportunities provided by the employer).

Employers are required to pay for a significant cost of the training for those participants in incumbent worker training; this can be done through both cash and/or in-kind payments. The wages paid to participants, while in training, may be considered as a source of matching funds. Rules for matching funds are provided in the Uniform Guidance and DOL exceptions at 2 CFR 200.306 and 2 CFR 2900.8, respectively. Under Section 134(d)(4)(D) of WIOA, the minimum amount of employer share in the incumbent worker training depends on the size of the employer:

- At least 10 percent of the cost for employers with 50 or fewer employees
- At least 25 percent of the cost for employers with 51 to 100 employees
- At least 50 percent of the cost for employers with more than 100 employees

Employer share must be reported on the ETA-9130 quarterly financial report. The DOL encourages states and Local Areas that use incumbent worker training to ensure contracts with employers provide sufficient information to include participants in reporting. Incumbent workers should be reported in the WIASRD under element number 911 until a new reporting layout is available.

## Definitions and Resources

*Business Cycle* – A business cycle is identified as a sequence of four phases:

- Contraction – A slowdown in the pace of economic activity
- Trough – The lower turning point of a business cycle, where a contraction turns into an expansion
- Expansion – A speedup in the pace of economic activity
- Peak – The upper turning of a business cycle

*Customer Relationship Management Module (CRM)* – The CRM is a CalJOBS<sup>SM</sup> based tool, supported by the Employment Development Department (EDD), which allows Local Boards and their partners who have access to the CalJOBS system to record, track and report a variety of business engagement activities at the individual company level.

*Economic Development* – The [International Economic Development Council](#) defines economic development as a program, group of policies, or activity that seeks to improve the economic well-being and quality of life for a community, by creating and/or retaining jobs that facilitate growth and

provide a stable tax base. For a good resource, see the [California Association of Local Economic Development](#) and the [Governor's Office of Business and Economic Development](#).

*Employer Contact (Rapid Response 121 Report)* – A visit to an employer by staff for the purposes of conducting Rapid Response activities. This visit may be in person, by telephone or through the use of other interactive technology. This is a cumulative report.

*Employer Contact (122 Report)* – This form is used only to report the development, implementation and completion of a business solution strategy(s) relating to and resulting in job retention at the current place of employment and the rapid re-employment (talent transfer) of affected workers. This is a cumulative report.

[Employment Training Panel](#) (ETP) – The ETP provides incumbent worker training funding to employers to assist in upgrading the skills of their workers through training that leads to good paying, long-term jobs. The ETP is a funding agency, not a training agency. Businesses determine their own training needs and how to provide training. ETP staff is available to assist in applying for funds and other aspects of participation.

*Incumbent Worker* – An employee of a business applying for incumbent worker training funds to up-skill and/or retrain in accordance with the WIOA.

*Incumbent Worker Training* – Developed with an employer or employer association to upgrade skills of a particular workforce. The employer agrees to retain the trained worker(s) upon completion of the training. Frequently, such training is part of an economic development or layoff aversion strategy.

*Jobs Retained* – A layoff is averted when (1) a worker's job is retained with the current employer that is at risk of downsizing or closing, or (2) when a worker at risk of dislocation transitions to a different job with the same employer.

*Layoff Aversion* – The process of using a series of activities, studies, and networks to examine a business or sector's cycle, organizational conditions, markets, and broad community relationships etc., in an effort to determine workforce and economic solutions that can mitigate job loss or save jobs.

[Manufacturing Extension Partnership](#) (MEP) – The National Institute of Standards and Technology's Hollings MEP works with small and mid-sized U.S. manufacturers to help them create and retain jobs, increase profits, and save time and money. The MEP also works with partners at the state and federal levels on programs that put manufacturers in position to develop new customers, expand into new markets and create new products.

*Rapid Re-Employment (Talent Transfer)* – A laid off worker is hired by a different employer and experiences short term unemployment (45 calendar days or less). To qualify for this activity, a

confirmed job offer must be on file from the hiring employer and issued within 45 days of the date the participant becomes unemployed.

Small Business Development Centers of California (SBDC) – The SBDCs provide training and no-cost one-on-one counseling to help small businesses and entrepreneurs overcome obstacles to growth. Topics range from: start-up assistance, planning for growth and expansion, technology and innovation and access to capital.

Work Sharing Program/Short Term Compensation – Work Sharing is described in Section 1279.5 of the California Unemployment Insurance Code and provides employers with an alternative to layoffs and provides their employees with the payment of reduced Unemployment Insurance benefits. Note: This activity is considered a job saved/retained as this strategy does minimize the impact on the Unemployment Insurance fund and should be reported on the Layoff Aversion Form 122.

## **POLICY AND PROCEDURES**

The EDDs WSIN15-21 communicated to the local workforce system the availability of a new module for CalJOBS. Local Boards and their staff responsible for business outreach activities are strongly encouraged to use this module to track all business engagement activities. Local Boards are encouraged to provide access to and training for the CalJOBS CRM module, as use of this module regionally across Local Areas will help eliminate duplicate contacts from local/regional agencies to the same employers, provide information regarding historical activities and the types of activities being conducted with an individual employer.

On May 18, 2004, the State Board adopted a Dislocated Worker 25 percent funding policy, which includes the following components and related recommendations.

### **Dislocated Worker 25 Percent Set-aside**

State Board policy specifies that the state will set aside 25 percent of the state's WIOA Dislocated Worker funding for California's Rapid Response System and for Additional Assistance to dislocated workers in Local Areas. Of this 25 percent, one-half is reserved for Rapid Response activities and one-half is reserved for Additional Assistance to Local Areas. The state will reserve a portion of the 25 percent Additional Assistance funds for statewide dislocated worker activities.

### ***Rapid Response Funding***

The Rapid Response set-aside funds will be allocated based on a three-part formula and layoff aversion component as follows:

- **Baseline funding** is allocated equally among Local Areas to ensure, at a minimum, that some capacity exists in each Local Area for the coordination and conduct of Rapid Response activities. Allocations to Local Areas comprised of more than one county will include an

additional allocation of \$50,000 for each additional county. Of the Rapid Response set-aside funds, 30 percent will be reserved for this baseline funding.

- **Layoff-based funding** is for Local Areas that serve regions where significant numbers of dislocation events occur. This allocation will be based on quantitative layoff data. Funds Page 8 of 10 will be allocated to Local Areas in proportion to the number of affected workers offered Rapid Response services in response to layoffs reported to the state. This methodology will ensure California meets WIOA requirements to provide services to assist groups of workers affected by mass layoffs, permanent business closures, and natural or other disasters. Of the Rapid Response set-aside funds, 45 percent will be reserved for this layoff-based funding.
- **Hold-Harmless** minimizes funding losses from year-to-year. A portion of the Rapid Response set-aside funds will be used to ensure that no Local Area receives less than 75 percent of their prior-year share of statewide funds distributed for baseline and layoff-based activities. This policy also limits any Local Area’s year-over funding increase to 100 percent of their prior-year allocation.

**Layoff Aversion Funding**

Layoff Aversion activities will be funded from the previously state-held Rapid Response Competitive Solicitation Fund. These funds will be distributed to Local Areas based on the Local Area’s relative share of the Rapid Response formula allocations.

Additional Assistance Funding Additional Assistance Funding will continue to be available as currently outlined in [WSD13-2](#), Dislocated Worker Additional Assistance Projects. An updated future policy directive will be issued to separate Additional Assistance from Rapid Response guidance and clarify the policy and procedures for use of these funds.

**Uses of Rapid Response 25 Percent Funds**

Description of the required and allowable uses of Rapid Response funds:

**Categorization of Rapid Response Activities**

**Title 20 Code of Federal Regulations Notice of Proposed Rule Section 682.330**

Activity	Required	Allowable	Prohibited
Conducting planning meeting with employer	X		
Assessing layoff aversion potential	X		
Conducting orientation meeting with employees	X		
Providing TAA orientation	X		

Delivering/mailling Rapid Response informational materials	X		
Providing access to CalJOBS <sup>SM</sup> and SkillsMatch on-site, using company's or mobile facility	X		
Enabling participants to register with America's Job Center of California <sup>SM</sup> onsite	X		
Job fair or information expo focused on one or more dislocation events, at or not at the dislocation site	X		
Coordinating Labor-Management/Workforce Transition Committee	X		
Providing information about services available in the AJCCs and setting up systems to provide on-site access to information and services	X		
Providing training orientation on industry specific opportunities (ex: Biotech)	X		
Providing resources for food, shelter, clothing and other emergency assistance	X		
Conducting Business Engagement Activities	X		
Conducting Research on Business Activities	X		
Devising layoff aversion strategies with employer	X		
Providing layoff aversion technical assistance to employer	X		
Conducting business services workshops	X		
Training affected workers to upgrade skills for another position in company	X		
Attending Regional Roundtable		X	
Attending conferences		X	
Conducting interview technique workshops		X*	
Conducting job search assistance and resume writing workshops		X*	
Completing Unemployment Insurance applications			X
Job fair or information expo not related to a dislocation event			X

\* Local Workforce Development Areas may conduct group workshops (e.g. job search assistance and/or resume writing workshops) as part of on-site Rapid Response to business closures or significant layoffs and charge the cost to their 25 Percent Rapid Response funds if they have determined, in consultation with the local workforce services manager, that EDD workforce services staff are not available to conduct such workshops.

Layoff aversion activities are a required activity in WIOA. It is the state's policy priority that the full scope of required Rapid Response activities, as described in the WIOA, must be provided in each Local Area.

The scope of business solutions that may be provided at Rapid Response events is not restricted to the activities described in Section 134 of WIOA. Local Boards are encouraged to leverage other local or state funding sources to provide a broader scope of business solutions. Examples include assisting with Trade Adjustment Assistance, Unemployment Insurance claim filing, economic development, financial assistance counseling, and mental health counseling.

## **Reporting**

Baseline, layoff-based, and hold-harmless Rapid Response funds will continue to be issued to each Local Board, in the master subgrant, as grant codes 540 and 541. These formula funds may be spent on the wide range of required and/or allowable activities. Participants receiving Page 9 of 10 Additional Assistance services must be enrolled in grant code 241. Local Boards shall continue to report participant enrollments receiving incumbent worker training using Rapid Response formula funds under grant code 2274.

Layoff Aversion funding will be issued under grant codes 292 and 293 in each Local Board's master subgrant. These funds can be spent on the wide range of required and/or allowable activities. Local Boards are to report participant enrollments receiving incumbent worker training using layoff aversion funds under grant code 2274.

### *Rapid Response Reporting Requirements (121 Report)*

Activities to be included on the Rapid Response 121 Report are those relating to employer contacts in response to layoffs or closures, as defined by the State Board. The Rapid Response 121 report must be completed to report all employer layoff/closure planning/orientation meetings. Planning meetings and/or orientations of nine or less employees are for information only and will not be used in the calculation of the dislocation-based formula funding factor.

Complete a separate line item entry for each employer contact occurring on different days, locations, or employers. Complete a single line item entry if multiple sessions are conducted on the same day, for a single employer with the note of how many multiple orientations were made that day. Note – this is a cumulative report.

The Rapid Response 121 Report and line item instructions are included as Attachments 2 and 3. The Rapid Response 121 Report must be completed quarterly and submitted via email by the 20th of the month following the quarter's end to the Local Area's assigned Regional Advisor, with a "cc" to the Local Area administrator.

### *Layoff Aversion Reporting Requirements (122 Report)*

This is a new report, specifically developed to capture and report business solution strategies delivered to business during any stage of the business cycle that relate to and result in job retention and/or rapid re-employment. A 122 Report may be submitted for a “single” job retained at an existing employer and/or a single rapid re-employment with a different employer. It is important that Local Area staff consider and document how layoff aversion activities will result in a positive outcome before allocating resources. Note – this is a cumulative report. It is not a register of local activities. It is to be used to report only business solutions (incumbent worker training to prevent a layoff, Work Sharing or Talent Transfer) completed during the reporting quarter.

For completion of the business solution strategy, documentation of outcomes must be attached to the 122 Report and retained locally for audit purposes. Note – the Local Board’s administrative, fiscal, and program activities will be subject to the state’s monitoring.

The 122 Report and line item instructions are included as Attachments 4 and 5. The 122 Report must be completed quarterly; it is a cumulative report and submitted via email by the 20th of the month following the quarter’s end to the Local Area’s assigned Regional Advisor, with a “cc” to the Local Area administrator. The reporting period is from April 1 to March 31 of the following year.

### **State policies and procedures to provide Rapid Responses in cases of natural disasters**

In cases of natural disasters, the state’s response efforts are coordinated by the California’s Office of Emergency Services (CalOES). CalOES coordinates the overall state response to disasters with local, state, federal, and voluntary/nonprofit partners to administer recovery operations in the event of a disaster. California employs Rapid Response funding to conduct initial situation assessment to obtain preliminary data to draft a National Dislocated Worker (NDW) Grant application. The State Board recently implemented a Governor Reserve 25% Emergency Application process. Using the initial Rapid Response assessment data, the State Board, in partnership with EDD, works with the affected Local Board(s) to develop an immediate response, providing ‘stop gap’ funding for mitigation activities pending DOL approval of a NDW Grant.

The state coordinates Rapid Response and 25% AA activities with those funded by National Dislocated Worker Grants that are performed under the auspices of FEMA in order to ensure non-duplication and adherence to maintenance of effort requirements.

### **Early intervention and TAA**

The Federal Regulations of the Trade Adjustment Assistance (TAA) program require coordinating the administration of the TAA program with the WIOA program to ensure trade-affected workers obtain all the benefits and services they are eligible to receive. This federal mandate can be met through WIOA/TAA co-enrollment. The state and federal goal for WIOA/TAA co-enrollment is 100 percent statewide compliance. The state’s 25% AA application requires the identification of TAA fund availability and how these resources will be leveraged with the Governor’s 25% AA grant.

In June 2015, the EDD TAA program published TAA/WIOA co-enrollment guidelines, which stipulates TAA/WIOA co-enrollment begins with Rapid Response. The guidance requires WIOA Rapid Response and EDD TAA staff to coordinate Rapid Response efforts to ensure all applicable partners and required Rapid Response materials are available at each Rapid Response session. To assist Local Boards and partners, EDD has established a statewide TAA coordinator position, as well as out-stationed 5 regional TAA coordinators to provide TA to Local Boards, participate in Rapid Response orientations within their respective region, and assist in the development, coordination and monitoring/reporting of Governor’s 25% AA and NDW grant applications. ATAA/WIOA comprehensive Technical Assistance Guide was included in the guidance to ensure Rapid Response staff understand and provide all potential trade affected workers with required TAA program information. The TAA/WIOA guidance is published in Workforce Services Directive [WSD14-15](#) .

The regional TAA coordinators also participate in RRRRTs and the annual statewide RRRRT conference to provide program status updates and further develop coordination among WIOA partners and other local and state stakeholders.

Additionally, the EDD’s TAA program notifies all workers identified in a TAA petition through a TAA notification letter mailed directly to each worker. Although the notification letter is mailed to workers after they attend a Rapid Response orientation, the letter reinforces to the workers that TAA benefits and others services may be able to assist them in their transition back to the workforce. The letter outlines each benefit and service, clarifies program deadline dates, and provides access information to additional program guidance and job center locations.

### **Alternative Training Models**

The State Plan utilizes alternative training models as a key component of the strategies described in chapter3 of this Plan. “Earn and learn” models are also embedded in the three policy objectives of “Fostering demand-driven skills attainment,” “Enabling upward mobility for all Californians, “and “Aligning, Coordinating, and Integrating Programs and Services.” These alternative work models will be valuable in serving those with barriers, especially those identified as priority of service populations. Additionally, the State Board, working with the EDD, who administers the Eligible Training Provider List (ETPL) and local ETPL administrators, have revised the ETPL Policies and Procedures, which includes guidance on how to utilize cohort-based training to facilitate the delivery of pre-apprenticeship and other skills to enable to participants successful entry into employment and a career pathway.

In addition, the Employment Training Panel has recently taken large strides in their efforts to partner with Local Boards to implement new employee training to provide qualified and skilled new workforce, using incumbent worker training as a means to enable labor retention and ensure workers have access to employer valued training programs to further their careers along the continuum of their career pathways.

## **Registered Apprenticeship**

The incorporation of approved apprenticeships is a key facet and focus of the State Plan. One of the goals discussed in the State Plan is to produce a million “middle skill” industry valued credentials between 2016 and 2026. Apprenticeships will be a key strategy and component in enabling the State to achieve this goal. In initial efforts, the State Board has been working closely with the DIR/DAS and Local Boards to ensure pre-apprenticeships were conducted in coordination with the DAS approved apprenticeship. To accomplish this, AB 554 was the first step in ensuring quality pre-apprenticeship training curriculum was developed jointly between the Local Boards, the DAS approved apprenticeship and the regional Apprenticeship Coordinating Councils. These steps would more readily ensure the participants’ acceptance into an approved apprenticeship program.

Another piece of the above goal is to double the number of people enrolled in apprenticeship programs during the same time period. Consistent with the WIOA provision regarding Training Services, administration of the Eligible Training Provider List (ETPL) and the eligibility of Apprenticeships for inclusion on the ETPL, the State Board has been working the DIR/DAS and the EDD, to ensure all the approved apprenticeship programs are included on the ETPL. The revised ETPL Policy and Procedures are included in Directive [WSD15-07](#).

In addition, the Governor recently enacted AB 509 (H. Perea, Chapter 558, Statutes of 2015), which exempts specified pre-apprenticeship programs from state licensing requirements when they meet certain criteria. This provides a more efficient pathway from training into an apprenticeship program.

### **The State’s criteria regarding local area transfer of funds between the adult and dislocated worker programs.**

WIOA, upon approval by the Governor, allows for the transfer of up to 100 percent of funds between the adult and dislocated worker funding streams in order to allow Local Boards flexibility to provide services that meet the needs of the Local Area. State policy is included in Directive [WSD15-23](#).

#### Transfer Criteria

In California, EDD has been given authority to approve transfers on behalf of the Governor. Transfer requests can be submitted any time during the two-year life of the funds. Transferred funds must stay within the original year of allocation and time period (i.e., July 1, first allocation funds, or October 1, second allocation funds).

The Local Area must submit transfer requests in writing to EDD. The transfer request must include the reason and/or rationale for the transfer, and be approved and signed off by the Local Board. Considerations for review and approval by EDD include the following:

- Changes in planned services to eligible participants.
- Unexpected layoffs requiring additional funds.
- Changes in the goals for serving eligible participants.
- Changes in labor market conditions.
- Effect of training on jointly funded employment and training programs in AJCCs.
- Effect on existing agreements for the delivery and/or coordination of employment and training services.
- Effect on current state and Local Area employment and training systems.
- Effect on the employment and training needs of eligible participants in the Local Area.

#### Implications of transferring 100 percent of funds

To the extent that a Local Area requests to transfer its entire allocation of dislocated worker funds to the adult program, the Local Area must be aware of the following implications pertaining to the transfer:

- EDD will not consider Local Area requests for funding from the WIOA Dislocated Worker 25 Percent Additional Assistance funds to mitigate the loss of dislocated worker funds resulting from the transfer.
- All transfers of funds are subject to the WIOA adult program priority of service requirement stated in WIOA Section 134(c)(3)(E).

#### Participants

Participants served with transferred funds will be subject to the performance outcomes of the new funding source. For example, funds transferred from the dislocated worker to the adult program will be attributed to the adult program and subject to adult accountability and performance outcomes.

#### **~~Grants for youth activities~~**

~~Local Boards operate as an access point for obtaining high-quality employment and training services. California seeks to invest WIOA youth funds in programs that employ best practices and incorporate concepts of youth development in order to meet the diverse needs of youth and young adults through integrated wrap-around services, with a particular focus on employment and post-secondary outcomes.~~

~~Local Boards should select service providers that:~~

- ~~Employ proven recruitment strategies of effective outreach, engagement, enrollment, and retention of out-of-school youth.~~

- Demonstrate meaningful partnerships with eligible training providers, institutions of higher education, and employers from in-demand industries
- Offer a continuum of services that allow participants to obtain a GED/High School diploma, enroll into post-secondary education, and obtain employment within their chosen career path.
- Utilize career pathways and sector strategy models with a structured sequence of activities, as well as multiple entry and exit points that provide adequate supportive services.
- Use structured work based learning, such as paid and unpaid work experiences and career exploration that leads to gainful employment.
- Provide intensive case management and support services to help youth overcome complex barriers, successfully complete the program, and retain employment.

Successful performance is a priority as it helps to measure the effectiveness of a local program. Local Boards are required to use CalJOBS<sup>SM</sup>, California's labor exchange and database system, for participant and performance reporting. The selection of youth providers also requires an assessment of the provider's ability to meet participant and performance requirements set forth by the local administrative entity and the state.

Local Boards should assess the provider's:

- Experience managing contracts, performance records, and administrative structure, including records and retention, compliance and monitoring, internal audit procedures, and data management system.
- Ability to meet reporting deadlines.
- Planned performance and ability to track outcomes.
- Frequency of training and technical assistance provided on the performance indicators to ensure compliance with federal and state requirements.

#### **Youth Program elements described in WIOA section 129(c)(2)<sup>1</sup>.**

Local Boards are not required to provide the fourteen required elements to each youth participant; they have the flexibility to determine what specific services a youth will receive based upon the youth's assessment and service strategy. Local Boards, however, must ensure that all fourteen program elements are available in their Local Area.

Local Boards are directed to competitively procure high quality youth service providers that develop and implement effective youth programs by aligning career pathways, employment, training, education, and supportive services. Aligning strategic partnerships, communication, coordination, and collaboration among employers, educational partners, economic development entities, and service providers is the foundation of the ensuring access to all program elements.

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<sup>1</sup> 1 Sec. 102(b)(2)(D)(i)(I)

WIOA contains two expenditure requirements related to out-of-school youth (OSY) and work experience. These expenditure mandates require Local Boards to shift policies toward serving OSY and expand the availability and participation of “earn and learn” models through work experience. A large percentage of the state’s youth formula funds will be allocated OSY workforce investment activities and work experience expenditure requirements opportunities to engage underserved youth by providing employment and training to obtain employment or enroll in post-secondary education.

#### 75 Percent Expenditure Requirement

WIOA prioritizes out-of-school youth as demonstrated by the minimum seventy-five percent expenditure requirement, therefore it is imperative for Local Areas to shift their local programs to serve OSY. At the time of enactment, several Local Areas in California were at or near the minimum seventy-five percent OSY expenditure requirement. Local Boards are engaged in strategies to increase their OSY expenditures through partnership and leveraged funding to meet the needs of underserved OSY. The availability of youth program element services such as financial literacy, entrepreneurship, work experience, and follow-up serves as a pivot toward self-sufficiency.

#### Work Experience Expenditure Requirement

The mandated twenty percent minimum work experience requirement aligns with California’s ongoing support and utilization of “earn and learn” models such as paid and unpaid work experience, pre-apprenticeship, registered apprenticeship, on-the-job training, and internships where participants can receive concurrent academic and occupational education, job readiness training, and obtain employment skills. Work experience is a necessary investment to build the foundation for career exploration and guidance, continued support for educational attainment, provide opportunities for skills training in in-demand industries, and hopefully results with a good job or enrollment in post-secondary education.

#### Grants for Youth Activities and WIOA Youth Program Requirements

State policies and procedures on grants for youth activities and youth program elements have been updated since the State Plan was drafted. The [WSD17-07 - WIOA Youth Program Requirements](#) provides the guidance and establishes the procedures regarding the Workforce Innovation and Opportunity Act (WIOA) youth program, including the 75 percent out-of-school (OS) youth and 20 percent work experience minimum expenditure requirements. This policy applies to Local Workforce Development Boards (Local Boards) and Local Workforce Development Areas (Local Areas), and is effective immediately. This policy contains some state-imposed requirements. This Directive finalizes Workforce Services Draft Directive *WIOA Youth Program Requirements* (WSDD-171), issued for comment on September 14, 2017. The Workforce Development Community submitted [three comments](#) during the draft comment period.

This policy supersedes Workforce Services Directive *WIOA Youth Program Requirements* (WSD16-01), dated July 6, 2016.

The WIOA Section 129 introduces key investments in OS youth and work experience. Specifically, it increases the minimum OS youth expenditure rate from 30 percent under WIA to 75 percent under WIOA, and introduces a 20 percent work experience expenditure requirement. Additionally, it adds new program elements, increasing the number of required youth program elements from 10 under WIA to 14 under WIOA.

Operational implementation of the WIOA youth program began July 1, 2015, with all provisions taking effect July 1, 2016. Local Areas were expected to use their PY 2015-16 WIOA youth formula funds to properly align their youth programs and services in preparation for full WIOA youth program implementation effective July 1, 2016.

On August 19, 2016, the DOL issued the WIOA Final Rules. Among other things, the WIOA Final Rules establish a poverty rate of 25 percent for a high poverty area, allow Local Boards to directly provide youth services, allow for youth work experiences education and work components to be provided sequentially, and clarify youth program eligibility. The DOL has also published three additional TEGs since 2015 providing further guidance and clarification for the WIOA Title I youth program. Therefore, the state is issuing its third iteration of the WIOA Youth Program Requirements directive to ensure state guidance is in full alignment with the WIOA Statute, the WIOA Final Rules, TEG 23-14, TEG 8-15, and TEG 21-16.

Although some of the deadlines for implementation of the WIOA requirements have passed, the Employment Development Department (EDD) chose to retain past deadlines in this directive for compliance monitoring purposes.

## **POLICY AND PROCEDURES**

### **Definitions**

For the purposes of this directive, the following definitions apply:

*Adult Education* – academic instruction and education services below the postsecondary level that increases an individual’s ability to: read, write, and speak in English, and perform mathematics or other activities necessary for the attainment of a secondary school diploma or its recognized equivalent; transition to postsecondary education and training; and obtain employment (WIOA Section 203).

*Attending School* – an individual is considered to be attending school if the individual is enrolled in secondary or postsecondary school. If a youth is between high school graduation and postsecondary education, the youth is considered an IS youth if they are registered for postsecondary education, even if they have not yet begun postsecondary classes. However, if the youth registers for postsecondary education, but does not follow through with attending classes, the youth is considered OS youth if the eligibility determination is made after youth decided not to attend postsecondary education. Youth on summer break are considered IS youth if they are enrolled to continue school in the fall (TEG 21-16).

**Not Attending School** – an individual who is not attending a secondary or postsecondary school. In addition, individuals enrolled in the following programs would be considered an OS youth for eligibility purposes:

- WIOA Title II Adult Education, YouthBuild, Job Corps, high school equivalency program, or dropout re-engagement programs.
  - Youth attending high school equivalency programs funded by the public K-12 school system who are classified by the school system as still enrolled in school are the exception; they are considered IS youth (Title 20 CFR Section 681.230).
- Non-credit bearing postsecondary classes only (TEGL 21-16).
- **A charter school program that provides instruction exclusively in partnership with WIOA, federally-funded YouthBuild programs, federal Job Corps training or instruction, California Conservation Corps, or a state certified local conservation corps (in alignment with EC Section 47612.1).**

**Offender** - An adult or juvenile subject to any stage of the criminal justice process or an adult or juvenile who requires assistance in overcoming artificial barriers to employment resulting from a record of arrest or convictions or for whom services under WIOA may be beneficial (WIOA Section 3[38]).

**Postsecondary School – California community colleges, and accredited public and private universities (EC Section 66010).**

**School** – any secondary or postsecondary school (Title 20 CFR Section 681.230). **These include, but are not limited to: traditional K-12 public and private (e.g., continuation, magnet, charter, and home) schools.**

**School Dropout** – an individual who is no longer attending any school and has not received a secondary school diploma or its recognized equivalent (WIOA Section 3[54]). Per TEGL 8-15, this term does not include individuals who dropped out of postsecondary school.

**Secondary School** – a nonprofit institutional day or resident school, including a public secondary charter school, that provides secondary education, as determined under state law, except that the term does not include any education beyond grade 12 (Title 20 U.S.C. Section 1401[27]).

### **Youth Eligibility Criteria**

The WIOA Section 129(a)(1) provides new eligibility criteria for the WIOA youth program. To be eligible to participate in the WIOA youth program, an individual must be an OS youth or an in school (IS) youth.

Youth enrolled after July 1, 2015, must meet the WIOA eligibility criteria. After July 1, 2015, all WIA youth participants who are enrolled in the WIA youth program must be grandfathered into the WIOA youth program, even if the participant would not otherwise be eligible for the WIOA. Local youth programs are not required to complete an eligibility re-determination if the participant has been determined eligible and enrolled under the WIA. Furthermore, these participants must be allowed to complete the WIA services specified in their individual service strategy.

#### *OS Youth Eligibility*

In order to receive services as an OS youth, an individual must meet the following eligibility criteria:

1. Not attending any secondary or postsecondary school (not including Title II Adult Education, YouthBuild, Job Corps, high school equivalency programs [exceptions in definitions], non-credit bearing postsecondary classes, dropout reengagement programs or charter schools with federal and state workforce partnerships).
2. Age 16-24 years old.
3. One or more of the following barriers:
  - a. A school dropout.
  - b. A youth who is within the age of compulsory school attendance, but has not attended school for at least the most recent complete school year quarter. i. Note – If the school does not use school year quarters, Local Areas must use calendar quarters.
  - c. A recipient of a secondary school diploma or its recognized equivalent who is a low-income individual and is either basic skills deficient or an English language learner.
  - d. An offender.
  - e. A homeless individual or a runaway.
  - f. An individual in foster care or who has aged out of the foster care system or who has attained 16 years of age and left foster care for kinship guardianship or adoption, a child eligible for assistance under Section 477 of the Social Security Act, or in an out-of-home placement.
  - g. An individual who is pregnant or parenting (custodial and non-custodial parent including non-custodial fathers).
  - h. An individual with a disability.
  - i. A low-income individual who requires additional assistance to enter or complete an educational program or to secure or hold employment.

(Title 20 CFR Section 681.210)

A youth participant's eligibility is determined at intake; therefore, the youth remains eligible for youth services until exited. For example, an individual who is an OS youth at time of enrollment and is subsequently placed in school is still considered an OS youth. Additionally, an individual who is an OS youth and between the ages of 16-24 at the time of enrollment, and is now beyond the age of 24, is still considered an OS youth until exited.

#### *IS Youth Eligibility*

In order to receive services as an IS youth, an individual must meet the following eligibility criteria:

1. Attending school, including secondary and postsecondary school.
2. Age 14-21 years old (A youth with disabilities who is in an individualized education program at the age of 22 may be enrolled as an IS youth [TEGL 21-16 and EC 56026]).
3. Low income individual.
4. Meets one or more of the following barriers:
  - a. Basic skills deficient.
  - b. An English language learner.
  - c. An offender.
  - d. A homeless individual or runaway.
  - e. An individual in foster care or who has aged out of the foster care system or who has attained 16 years of age and left foster care for kinship guardianship or adoption, a child eligible for assistance under Section 477 of the Social Security Act, or in an out-of-home placement.
  - f. Pregnant or parenting (custodial and non-custodial parent including noncustodial fathers).
  - g. An individual with a disability.
  - h. An individual who requires additional assistance to complete an educational program or secure and hold employment.

(Title 20 CFR Section 681.220)

A youth participant's eligibility is determined at intake; therefore, the youth remains eligible for youth services until exited. For example, an individual who is an IS youth and between the ages of 14-21 at the time of enrollment, and is now beyond the age of 21, is still considered an IS youth until exited.

### *Low-Income*

Under WIOA, a youth who receives or is eligible to receive a free or reduced lunch under the Richard B. Russell National School Lunch Act, is considered to be low-income. While the free/reduced lunch low-income category primarily applies to IS Youth, OS youth may also qualify as low income if the youth is a parent living in the same household as a child who receives or is eligible to receive free or reduced price lunch based on their income level. However, not all youth who receive a free or reduced priced lunch automatically qualify as lowincome for the WIOA youth program eligibility. In areas where a school district subsidizes all student meals under the Hunger-Free Kids Act of 2010, the Local Area must base low-income status on an individual student's eligibility to receive free or reduced price lunch or on the youth's ability to meet one of the other low-income categories under WIOA.

A youth living in a high-poverty area is automatically considered to be a low-income individual. A high-poverty area is a Census tract or county that has a poverty rate of at least 25 percent as set every 5 years using American Community Survey (ACS) 5-Year data. Local Areas may access ACS 5-

Year data on the [U.S. Census Fact Finder](#) website to determine the poverty rate. TEGL 21- 16, [Attachment 2](#) - Determining Whether Youth are Living in a High Poverty Area, provides step-by-step instruction on how to calculate the poverty rate.

### *Calculating Income*

For income calculation purposes, if an individual is not living in a single residence with other family members that individual is not considered a member of a family. When determining a youth's eligibility based on low-income status, Local Areas must do the following:

- Include Unemployment Insurance as income.
- Include child support payments as income.
- For IS youth with a disability, consider only the youth's own income rather than their family's income.

(TEGL 21-16)

### *Low-Income Exception*

The WIOA maintains a five percent low-income eligibility exception where five percent of Local Area youth participants who ordinarily would need to be low-income do not need to meet the low-income provision. However, because not all OS youth are required to be low-income, the five percent low-income exception under WIOA is calculated based on the five percent of youth enrolled in a given program year who would ordinarily be required to meet the low-income criteria. The five percent low-income exception may include OS youth under eligibility categories 3c and 3i, IS youth, or a combination of both, not to exceed five percent of all WIOA youth participants served in a given program year.

### *Requires Additional Assistance*

Under WIOA, no more than five percent of IS youth enrolled in a given program year may be found eligible based solely on meeting the criterion, "requires additional assistance." This limitation applies to IS youth enrolled on or after July 1, 2015. Therefore, participants that were enrolled under WIA and carried into WIOA would not be factored in.

Local Boards are responsible for establishing local definitions and eligibility documentation requirements for "requires additional assistance" as it relates to both OS and IS youth. The local policy should be reasonable, quantifiable, and based on evidence that the specific characteristic of the youth identified in the policy objectively requires additional assistance. As outlined in California's Unified Strategic Workforce Development Plan 2016-2020 (State Plan), examples could include, but are not limited to, the following:

- Have repeated at least one secondary grade level or are one year over age for grade.

- Have a core grade point average of less than 1.5.
- For each year of secondary education, are at least two semester credits behind the rate required to graduate from high school.
- Are emancipated youth.
- Have aged out of foster care.
- Are previous dropouts or have been suspended five or more times or have been expelled.
- Have received court/agency referrals mandating school attendance.
- Are deemed at risk of dropping out of school by a school official.
- Have been referred to or are being treated by an agency for a substance abuse related problem.
- Have experienced recent traumatic events, are victims of abuse, or reside in an abusive environment as documented by a school official or other qualified professional.
- Have serious emotional, medical or psychological problems as documented by a qualified professional.
- Have never held a job (applies to OS youth).
- Have been fired from a job within the 12 months prior to application (applies to OS youth).
- Have never held a full-time job for more than 13 consecutive weeks (applies to OS youth).

## **OS Youth**

The WIOA shifts the primary focus of youth formula funds to support the educational and career success of OS youth. As a result of this shift, the cost per participant under WIOA may increase as many OS youth require more intensive and costly services. Consequently, fewer participants might be served under the WIOA youth program due to the more intensive and costly services for the increased emphasis on the OS youth population.

### *OS Youth Expenditure Requirement*

Local Areas must spend at least 75 percent of their WIOA youth formula allocation on youth workforce investment activities for OS youth (WIOA Section 129[a][4]). The OS youth expenditure rate is calculated after subtracting funds spent on administrative costs.

Some Local Areas may not have been immediately prepared to spend at least 75 percent of their PY 2015-16 youth funds on OS youth. These Local Areas were required to demonstrate progress towards meeting the requirement through increased expenditures on OS youth (compared to their PY 2014-15 youth expenditures). Specifically, by June 30, 2016, Local Areas were required to increase their PY 2015-16 OS youth expenditures by at least 10 percentage points over their PY 2014-15 OS youth expenditures, and have a minimum OS youth expenditure rate of 50 percent.

Beginning with the PY 2016-17 youth funds, Local Areas are required to meet the full 75 percent OS youth expenditure requirement. The EDD calculated PY 2015-16 OS youth expenditures at the end of the first program year of the two year availability of the funds (i.e., June 30, 2016), and provided the figure to each Local Area. Local Areas that did not meet the 75 percent expenditure rate with their PY 2015-16 youth funds were required to submit a corrective action plan to their assigned Regional

Advisor by December 31, 2016. The corrective action plan was required to include the following information:

- How the Local Area planned to meet the 75 percent OS youth expenditure rate with their PY 2016-17 youth formula funds.
- Strategies the Local Area had taken to secure contractors, establish partnerships, and transition their youth program focus from IS youth to OS youth.

Beginning PY 2016-17, Local Areas must submit a corrective action plan for any program year in which they do not meet the 75 percent expenditure OS youth expenditure rate. A corrective action plan is included as Attachment 2 to this Directive.

### *Recruiting OS Youth*

Under WIA, some Local Areas may have been serving low numbers of OS youth. These Local Areas should have used the first year of WIOA implementation (i.e., July 1, 2015, through June 30, 2016) to align their youth program design to start increasing recruitment and outreach to move towards meeting the 75 percent OS youth expenditure requirement.

Youth outreach and recruitment are among the limited instances in which WIOA youth funds may be expended on costs related to individuals who are not yet participants. However, youth program services may not be provided until a formal eligibility determination being made.

For tips and best practices regarding outreach and recruiting OS youth see Attachment 3 of this directive, Outreach and Recruitment of OS Youth.

### *WIA 30 Percent Expenditure Requirement*

The WIA 30 percent OS youth expenditure requirement continued to apply to Local Areas serving OS youth with WIA funds after July 1, 2015. The OS youth expenditure rates are tracked and reported on a specific program year's allocation. For the PY 2014-15 WIA youth formula allocation, the 30 percent OS youth expenditure minimum applied.

### **Work Experience**

The WIOA places a priority on providing youth with occupational learning opportunities through work experience.

### *Work Experience Criteria*

Work experience provides IS and OS youth an invaluable opportunity to develop work place skills. Paid and unpaid work experiences must include academic and occupational education (provided either concurrently or sequentially) and may include the following:

- Summer employment opportunities and other employment opportunities available throughout the school year. Local Areas may, but do not have to, provide summer employment opportunities. Under WIA, summer employment was its own program element.

Under WIOA, it is incorporated into work experience. Local Areas have the flexibility to decide which work experiences are provided as long as the Local Area spends at least 20 percent of their WIOA youth formula allocation on work experience (Title 20 CFR Section 681.620).

- Pre-apprenticeship programs. Pre-apprenticeship is a program designed to prepare individuals to enter and succeed in an apprenticeship program. Pre-apprenticeship programs include the following elements:
  - Training and curriculum that aligns with the skill needs of employers in the economy of the state or region involved.
  - Access to educational and career counseling and other supportive services, directly or indirectly.
  - Hands-on, meaningful learning activities that are connected to education and training activities.
  - Opportunities to attain at least one industry-recognized credential.
  - A partnership with one or more registered apprenticeship programs that assists in placing individuals who complete the pre-apprenticeship program in a registered apprenticeship program (Title 20 CFR Section 681.480).
- Internships and job shadowing. Job shadowing is a temporary, unpaid exposure to the workplace in an occupational area of interest to the participant and may last anywhere from a few hours to a week or more (TEGL 21-16).
- On-the-job training (OJT) opportunities. OJT means training by an employer that is provided to a paid participant while engaged in a job that meets the following criteria:
  - Provides knowledge or skills essential to the full and adequate performance of the job.
  - Is made available through a program that provides reimbursement to the employer of up to 50 percent of the wage rate of the participant or up to 75 percent in circumstance of extraordinary costs of providing the training and additional supervision related to the training.
  - Is limited in duration to the occupation for which the participant is being trained, taking into account the content of the training, the prior work experience of the participant, and the service strategy of the participant as appropriate (WIOA Section 3[44]).

The academic and occupational education component refers to contextual learning that accompanies a work experience. It includes the information necessary to understand and work in specific industries or occupations. For example, if a youth is in a work experience in a hospital, the occupational education could be learning about the duties of different types of hospital occupations such as a phlebotomist, radiology tech, or physical therapist. Whereas, the academic education could be learning some of the information individuals in those occupations need to know such as why blood type matters, the name of a specific bone in the body, or the function of a specific ligament. Local programs have the flexibility to determine the appropriate type of academic and occupational education necessary for a specific work experience. Further, Local Areas may decide who provides the academic and occupational education component. The academic component may take place inside or outside the work site, and the work experience employer may provide the academic and

occupational education component or such components may be provided separately in the classroom or through other means (TEGL 21-16).

Youth formula funds may be used to pay a participant's wages and related benefits for work experience in the public, private, for-profit or non-profit sectors when the participant's objective assessment and individual service strategy indicate that a work experience is appropriate.

Additionally, youth formula funds may be used to pay wages and staffing costs for the development and management of work experience. Allowable expenditures beyond wages may include the following:

- Staff time spent identifying potential work experience opportunities.
- Staff time working with employers to develop the work experience.
- Staff time spent working with employers to ensure a successful work experience.
- Staff time spent evaluating the work experience.
- Classroom training or the required academic education component directly related to the work experience.
- Orientation sessions for participants and employers.
- Incentive payment to youth for an achievement directly tied to the work experience.
- Employability skills/job readiness training to prepare youth for a work experience.

#### *Local Policy*

Local Boards must establish local policies regarding work experience. At a minimum, these policies need to address the following:

- The duration of the work experience assignment.
- Limitations on the number of hours.
- Appropriate incentives and stipends, including limitations on the types and dollar amount.

The WIOA youth provisions went into effect July 1, 2015. Local Boards were required to begin implementing the work experience requirements July 1, 2015, **and establish local policy and procedures for work experience no later than January 1, 2016.**

#### *Work Experience Expenditure Requirement*

Local Areas must spend at least 20 percent of their WIOA youth formula allocation on work experience (WIOA Section 129[c][4]). Leveraged resources cannot be used to fulfill any part of the 20 percent minimum work experience expenditure requirement (TEGL 21-16). The work experience expenditure rate is calculated after subtracting funds spent on administrative costs. Additionally, the expenditure rate is not applied separately for IS youth and OS youth.

#### *State Technical Assistance*

The EDD calculates work experience expenditures at the end of the first program year of the two year availability of the funds, and provides the results of these interim calculations to each Local

Area and their Regional Advisor by September 30th. The Regional Advisor will assist Local Areas that appeared to be in jeopardy of not meeting the 20 percent work experience expenditure requirement by the end of the funding period.

### **Calculating OS Youth and Work Experience Expenditures**

The Local Area's OS youth and work experience expenditure rates are tracked for a specific program year youth allocation. The EDD will determine whether Local Areas met their expenditure requirements upon completion of expenditures of all funds in the specific program year's youth allocation as follows:

Each Local Area's total youth allocation is issued as a subgrant under grant code 301. This amount is located on Line I item 5 of the Summary of WIOA Expenditures Report for Grant Code 301. At the end of the two-year life of the youth formula funds, the total allocation is adjusted by subtracting the actual administration costs (Line III item 3) reported on the June 30 expenditure report for Grant Code 301. The remaining dollar amount for a Local Area that fully spent its allocation (which is equal to the program dollars spent shown on Line V item 3) is the amount upon which the 75 percent OS youth and 20 percent work experience expenditure requirement will be based. The amount reported for OS youth (Line V, item 2) must be at least 75 percent of the total program expenditures (Line V, item 3). The amount reported for work experience (Line V item 3b) must be at least 20 percent of the total program expenditures (Line V, item 3).

### **IS Youth**

Under WIOA, fewer resources are available to serve IS youth. As a result, Local Areas should identify resources and/or establish partnerships with youth providers that can provide services to IS youth. Local Boards, in collaboration with youth standing committees, may consider leveraging resources and establishing partnerships to continue serving IS youth that are cost effective, and reach more students.

#### *Transitioning WIA IS Youth Participants*

Local Areas may have been serving large numbers of IS youth as they transitioned into WIOA on July 1, 2015. Although there was a shift in emphasis under WIOA to OS youth, Local Areas should not have prematurely exited WIA IS youth from the program.

Local Areas could have used a portion of their remaining PY 2014-15 funds for services to IS youth in order to assist them in successfully completing the program, while focusing PY 2015- 16 funds on OS youth, consistent with the minimum 75 percent OS youth expenditure requirement on OS youth.

### **Permissible Use of Youth Funds**

#### *Individual Training Accounts*

In order to enhance individual participant choice in their education and training plans and provide flexibility to Local Areas, Local Areas may use youth funds for Individual Training Accounts (ITA) for OS youth between the ages of 16 to 24. When using youth funds for ITAs, only training providers on the Eligible Training Provider List can be used.

### *Braiding Funds*

Braiding funds is the process of using different funding streams to support different needs for the same participant while maintaining documentation to support the charging and allocations of cost to the separate funds. Local Areas may use braided funds to provide more comprehensive services to participants and maximize partner resources available to assist youth. Braiding funds must meet the following criteria:

- The cost to each funding stream is tracked, documented, and allocated based on the proportional benefit.
- The cost benefits two or more programs in proportions that can be determined without undue effort or cost.
- The youths meet the eligibility requirements for each program from which they are receiving funds.

An example is when the WIOA Title I youth program and the WIOA Title II adult education program are used to serve eligible youth. The WIOA Title I resources can provide career guidance, work experiences, and leadership development, while the WIOA Title II resources can provide adult education and literacy activities.

(TEGL 21-16)

### *Incentives*

Local Areas may provide incentive payments to youth participants for recognition and achievement directly tied to training activities and work experiences. When offering incentive payments, Local Areas must do the following:

- Tie the incentive to the goals of the specific program.
- Outline in writing the incentive before the commencement of the program providing the payment.
- Align the incentive with the local program's organizational policy.
- Meet the requirements in 2 CFR part 200.

(Title 20 CFR Section 681.640)

### **Youth Standing Committees**

Youth councils are not required under WIOA. However, Local Boards may continue to operate a youth council as a standing committee. The Youth Standing Committee may provide information and assist with planning, operations, oversight, and other issues related to the provision of services to youth. Youth Standing Committees should recommend youth policy direction, ensure quality

services, and leverage financial and programmatic resources. If so delegated by the Local Board after consultation with the chief elected official, the Youth Standing Committee may oversee eligible youth providers.

An existing youth council may be designated as the Youth Standing Committee or a Local Board may design a Youth Standing Committee to meet the needs of the Local Area's youth program. If a Local Board does not establish a Youth Standing Committee, the Local Board is still responsible for conducting the oversight of youth activities under WIOA Section 129(c).

Local Boards that choose to design a new Youth Standing Committee are reminded that the membership must include: (1) a member of the Local Board, who must chair the committee, (2) members of community based organizations with a demonstrated record of success in serving eligible youth, and (3) other individuals with appropriate expertise and experience who are not members of the Local Board. The committee may also include parents, participants, and youth.

(Title 20 CFR Sections 681.100 - 681.120)

### **Procurement of WIOA Youth Service Providers**

Local Boards may directly provide some or all of the youth workforce service activities. If a Local Board serves as the youth service provider and performs other roles such as fiscal agent or AJCC Operator, the Local Board must have appropriate firewalls in place between the staff providing services, the staff responsible for oversight and monitoring of services, and the Local Board. The firewalls must conform to Title 20 CFR Section 679.430 for demonstrating internal controls and preventing conflicts of interest.

If a Local Board chooses to award grants or contracts to youth service providers for some or all activities, the Local Board must award such grants or contracts through a competitive process that does the following:

- Takes into consideration the ability of the youth service provider to meet performance accountability measures.
- Meets the procurement standards specified in Uniform Guidance and the DOL Exceptions.
- Follows state and local procurement laws.

Local Boards must also identify youth service providers based on criteria in the State Plan (Title 20 CFR Section 681.400). The State Plan establishes that Local Boards should select service providers that do the following:

- Employ proven recruitment strategies of effective outreach, engagement, enrollment, and retention of OS youth.
- Demonstrate meaningful partnerships with eligible training providers, institutions of higher education, and employers from in-demand industries.
- Offer a continuum of services that allow participants to obtain a GED/High School diploma, enroll into postsecondary education, and obtain employment within their chosen career path.

- Utilize career pathways and sector strategy models with a structured sequence of activities, as well as multiple entry and exit points that provide adequate supportive services.
- Use structured work-based learning, such as paid and unpaid work experiences and career exploration that leads to gainful employment.
- Provide intensive case management and support services to help youth overcome complex barriers, successfully complete the program, and retain employment.

Local Boards may do the following:

- Award youth service provider contracts on a sole source basis where the Local Board determines there is an insufficient number of eligible youth providers in the Local Area.
- Assign the function of selecting service provider contracts to the standing youth committee (if the Local Board has established a standing youth committee).

When the Local Board awards a grant or contract to a youth service provider who also fulfills another role in the Local Area, a written agreement with Local Board and the Chief Elected Official must provide clarity on the expectation for those roles and clear methods of tracking execution and accountability for the distinct roles.

### *Transitioning Contracts*

As Local Boards transitioned from WIA to WIOA, they were required to ensure their Request for Proposals (RFPs) and youth service provider contracts incorporated the new WIOA youth provisions, (e.g., new eligibility requirements for IS and OS youth, increased expenditure requirements for OS youth and work experience, and the five new program elements). Local Areas were allowed to either undergo a contract modification with their existing providers, if permissible, or procure new service providers. Since youth enrolled beginning July 1, 2015, had to meet the new WIOA eligibility criteria, Local Boards were required to have modified their existing contracts and/or procured new youth service providers by July 1, 2015. If a Local Area procured new youth service providers, the state encouraged the use of one-year contracts with additional option years, rather than multi-year contracts, to allow maximum flexibility during WIOA implementation.

Local Boards may have opted to retain current WIA youth service contracts temporarily for various reasons (e.g., the contract did not include a clause that allowed for modifications to conform to new legislation, regulations, or requirements, etc.). The State Board and EDD wanted to provide Local Boards adequate time to transition to the new WIOA requirements, and, therefore, allowed Local Boards to retain their WIA youth service contracts through PY 2016-17. However, **all RFPs and youth service provider contracts must have incorporated the new WIOA provisions by July 1, 2017.**

### **Program Elements**

The WIOA Section 129(c)(2) includes 14 program elements, which include the original 10 program elements under WIA (which have been consolidated to nine, as the summer employment opportunities program element is now a sub-element under paid and unpaid work experiences), and five new program elements: (1) financial literacy, (2) entrepreneurial skills training, (3) services that

provide labor market and employment information about in-demand industry sectors or occupations available in the Local Areas, (4) activities that help youth prepare for and transition to postsecondary education and training, and (5) education offered concurrently with and in the same context as workforce preparation activities and training for specific occupation or occupational clusters. Local Areas are not required to provide all 14 required elements to each participant. Local Areas have the flexibility to determine which specific services a youth will receive based upon the youth's assessment and service strategy. Local Boards, however, must ensure that all 14 program elements are available in their Local Area.

#### *Program Element 1 – Tutoring, Study Skills Training, Instruction, and Dropout Prevention Services*

Tutoring, study skills training and instruction that lead to a high school diploma or its equivalent, including a recognized certificate of attendance or similar document for individuals with disabilities, are reported under program element 1. These services focus on providing academic support, helping a youth identify areas of academic concern, assisting with overcoming learning obstacles, and providing tools and resources to develop learning strategies. Local Areas may provide tutoring, study skills training, and instruction in a one-on-one or group setting, through resources and workshops.

Program element 1 also includes secondary school dropout prevention strategies that keep a youth in school and engaged in formal learning or training. These activities include, but are not limited to, tutoring, literacy development, active learning experiences, after-school opportunities, and individualized instruction (TEGL 21-16).

#### *Program Element 2 – Alternative Secondary School Services or Dropout Recovery Services*

Alternative secondary school services that assist youth who have struggled in traditional secondary school education, are reported under program element 2. These services include, but are not limited to, basic education skills training, individualized academic instruction, and English as a Second Language training.

Program element 2 also includes dropout recovery services aimed at getting youth who have dropped out of secondary education back into a secondary school or alternative secondary school/high school equivalency program (TEGL 21-16). Examples of these services include credit recovery, counseling, and educational plan development. While there is some overlap with dropout prevention strategies (program element 1), the activities within both program elements are provided with the goal of helping youth re-engage and persist in education that leads to the completion of a recognized high school equivalent.

#### *Program Element 3 – Paid and Unpaid Work Experience*

Work experience is covered in detail on pages 12 through 15 of the directive.

#### *Program Element 4 – Occupational Skills Training*

Occupational skills training is an organized program of study that provides specific vocational skills that lead to proficiency in performing actual tasks and technical functions required by certain occupation fields at entry, intermediate, or advanced levels. Local Areas must give priority consideration to training programs that lead to recognized postsecondary credentials that align with in-demand industry sectors or occupations in the Local Area.

Occupational skills training must meet the following criteria:

- Be outcome-oriented and focused on an occupational goal specified in the individual service strategy.
- Be of sufficient duration to impart the skills needed to meet the occupational goal.
- Lead to the attainment of a recognized postsecondary credential.
- Meet the quality standards in WIOA Section 123.

(Title 20 CFR Section 681.540)

#### *Program Element 5 – Education Offered Concurrently with Workforce Preparation and Training for a Specific Occupation*

This program element reflects an integrated education and training model. While basic academic skills that occur as part of alternative secondary school services or dropout recovery services (program element 2), workforce preparation activities that occur as part of a work experience (program element 3) and occupational skills training (program element 4) are counted as other program elements when provided separately and at different times, this program element refers to the concurrent delivery of workforce preparation activities, basic academic skills, and hands-on occupational skills training in a specific occupation, occupational cluster, or career pathway (TEGL 21-16).

#### *Program Element 6 – Leadership Development Opportunities*

This program element encourages responsibility, confidence, employability, self-determination, and other positive social behaviors. Positive social behaviors include the following:

- Exposure to postsecondary educational possibilities.
- Community and service learning projects.
- Peer-centered activities, including peer mentoring and tutoring.
- Organizational and team work training
- Training in decision-making such as determining priorities and problem solving.
- Citizenship training, including life skills training such as parenting and work behavior training.
- Civic engagement activities which promote quality of life in a community
- Other leadership activities that place youth in a leadership role such as serving on the Standing Youth Committee.

(Title 20 CFR Section 681.520)

### *Program Element 7 – Supportive Services*

Supportive services are services that enable an individual to participate in WIOA activities. Supportive services include, but are not limited to, the following:

- Linkages to community services.
- Assistance with transportation.
- Assistance with child care and dependent care.
- Assistance with housing.
- Needs-related payments.
- Assistance with educational testing.
- Reasonable accommodations for youth with disabilities.
- Legal aid services.
- Referrals to health care.
- Assistance with work attire and work related tools including eyeglasses and protective eye gear.
- Assistance with books, fees, school supplies, and other necessary items for student enrolled in postsecondary education classes.
- Payments and fees for employment and training-related application, tests, and certifications.

(Title 20 CFR Section 681.570)

### *Program Element 8 – Adult Mentoring*

Adult mentoring must last at least 12 months and may take place both during the program and following the youth's exit from the program. Local Areas may use group mentoring and electronic mentoring, but at a minimum, the youth program must match the youth with an individual mentor with whom the youth interacts on a face-to-face basis. Case managers may serve as adult mentors in areas where adult mentors are sparse, however, Local Areas are strongly encouraged to find adult mentors who are not case managers (TEGL 21-16).

### *Program Element 9 – Follow-up Services*

Follow-up services for youth may include supportive services, adult mentoring, financial literacy education, services that provide labor market and employment information about in-demand industry sectors, and activities that help youth prepare for and transition to postsecondary education and training. When Local Areas provide these program elements as follow-up services, they must occur after the exit date in order to count as follow-up services. Additionally, Local Areas should document in the case file that the program elements were provided as follow-up services post exit (TEGL 21-16).

### *Program Element 10 – Comprehensive Guidance and Counseling*

This program element provides individualized counseling to participants and may include drug and alcohol abuse counseling, mental health counseling, and referral to partner programs. Local Areas

and youth service providers may directly provide counseling. When a Local Area or youth service provider refers a youth for counseling services that they are unable to provide, the Local Area or service provider must coordinate with the referred counseling organization to ensure continuity of service (TEGL 21-16).

#### *Program Element 11 – Financial Literacy Education*

Financial literacy education includes information and activities such as creating budgets, setting up checking and saving accounts, managing spending, understanding credit reports, and protecting against identity theft. Local Areas may find the Financial Literacy Education Commission's guide, "[Incorporating Financial Capability with Youth Employment Programs](#)", a useful resource on how to partner with financial institutions (TEGL 21-16).

#### *Program Element 12 – Entrepreneurial Skills Training*

This program element helps youth develop the skills associated with starting and operating a small business. Such skills may include the ability to take initiative, creatively seek out and identify business opportunities, develop budgets and forecast resource needs, understand various options for acquiring capital and the trade-offs associated with each option, and communicate effectively and market oneself and one's ideas. Approaches to teaching youth entrepreneurial skills may include the following:

- Entrepreneurship education that provides an introduction to the values and basics of starting and running a business, such as developing a business plan and simulations of business start-up and operation.
- Enterprise development which provides supports and services that incubate and help youth develop their own businesses, such as helping youth access small loans or grants and providing more individualized attention to the development of viable business ideas.
- Experiential programs that provide youth with experience in the day-to-day operation of a business.

(Title 20 CFR Section 681.560)

#### *Program Element 13 – Services that Provide Labor Market and Employment Information*

These services provide labor market and employment information about in-demand industry sectors or occupations available in the Local Area. Services may include career awareness, career counseling, and career exploration. Career counseling provides advice and support in making decisions about what career path to take and may include providing information about resume preparation, interview skills, potential opportunities for job shadowing, and the long-term benefits of postsecondary education and training. In addition to connecting youth to self-service labor market information (LMI) tools, youth providers should share and discuss state and local LMI with youth participants (TEGL 21-16).

#### *Program Element 14 – Postsecondary Preparation and Transition Activities*

This program element prepares IS youth and OS youth for postsecondary education after attaining a high school diploma or its recognized equivalent. Activities include exploring postsecondary education options such as registered apprenticeships, technical training schools, community colleges and 4-year colleges and universities. Additional services may include, but are not limited to, the following:

- Preparing youth for the SAT/ACT
- Assisting with college admission applications
- Searching and applying for scholarships and grants
- Filling out financial aid applications
- Connecting youth to postsecondary programs

(Title 20 CFR Section 681.460)

### **Program Design**

The WIOA enhances the youth program design through an increased emphasis on individual participant needs by adding new components and incorporating career pathways to the objective assessment and individual service strategy. Additionally, the WIOA requires that the individual service strategy be directly linked to one or more of the performance indicators. A program design framework is an essential step to help Local Areas develop comprehensive service strategies based upon individual needs. Local Boards, in collaboration with a youth standing committee, can provide direction and leadership to assist local youth programs on improving the quality and effectiveness of youth services. A program design framework consists of an objective assessment, an individual service strategy, case management, and follow-up services that lead toward successful outcomes for youth participants (WIOA Section 129[c][1]).

### **Assessment Requirements**

The WIOA youth program design requires an objective assessment of academic levels, skill levels, and services needs of each participant, which includes a review of basic skills, occupational skills, prior work experience, employability, interests, aptitudes, supportive service needs, and developmental needs. Assessments must also consider a youth's strengths rather than just focusing on areas that need improvement. Local Areas must use assessments that are valid and appropriate for the target population, and must provide reasonable accommodation in the assessment process. Any formalized testing must also be cost effective, well-matched to the test administrator's qualifications, and easy to administer and interpret results. For basic skills assessment, Local Areas are not required to use assessments approved by the Department of Education's National Reporting System (NRS), nor are Local Areas required to determine an individual's grade equivalent or educational functioning level, although use of both tools is permitted. Local Areas may also use previous basic skills assessment results if such previous assessments have been conducted with the past six months.

In contrast to the initial assessment requirements described above, If Local Areas measure Educational Functioning Level (EFL) gains after program enrollment under the measurable skills gain indicator, the Local Area must use an NRS-approved assessment for both the EFL pre and post-test to determine a youth's educational functioning level.

In addition to the initial assessment, a career assessment can help youth understand how a variety of their personal attributes affect their potential success and satisfaction with different career options and work environments. Local Areas may provide career assessments through the WIOA youth program staff and/or through referrals to national and community-based partners and resources.

(TEGL 21-16)

### **State policy for “requires additional assistance to complete and educational program, or to secure and hold employment”**

Local Boards may define “requires additional assistance” to complete an educational program, or to secure and hold employment. Possible definitions/criteria for individuals who require additional assistance include the following:

- Have repeated at least one secondary grade level or are one year over age for grade;
- Have a core grade point average (GPA) of less than 1.5;
- For each year of secondary education, are at least two semester credits behind the rate required to graduate from high school;
- Are emancipated youth;
- Have aged out of foster care;
- Are previous dropouts or have been suspended five or more times or have been expelled;
- Are court/agency referrals mandating school attendance;
- Are deemed at risk of dropping out of school by a school official;
- Have been referred to or are being treated by an agency for a substance abuse related problem;
- Have experienced recent traumatic events, are victims of abuse, or reside in an abusive environment as documented by a school official or other qualified professional;
- Have serious emotional, medical or psychological problems as documented by a qualified professional;
- Have never held a job (applies to older youth);
- Have been fired from a job within the twelve months prior to application (applies to out of school youth); and
- Have never held a full-time job for more than thirteen consecutive weeks (applies to out of school youth).

*\*This definition is included in Directive WSD15-03 – WIOA Youth Program Requirements:*  
[http://www.edd.ca.gov/Jobs\\_and\\_Training/pubs/wsd15-03.pdf](http://www.edd.ca.gov/Jobs_and_Training/pubs/wsd15-03.pdf)

### **The State’s definition of “alternative education”.**

According to the California Education Code Section 58500, an alternative school is a type of school designed to achieve grade-level (K-12) standards and meet student needs.

Examples of alternative schools include, but are not limited to: continuation, magnet, and charter schools. If the youth participant is attending an alternative school at the time of enrollment, the participant is considered to be in school.

*\*This definition is included in Directive WSD15-03 – WIOA Youth Program Requirements:*

[http://www.edd.ca.gov/Jobs\\_and\\_Training/pubs/wsd15-03.pdf](http://www.edd.ca.gov/Jobs_and_Training/pubs/wsd15-03.pdf)

### **The State definition, as defined in law, for not attending school and attending school**

There is no definition in state law but a definition was developed by the state using CDE guidelines designed for data purposes for tracking those both in and out of school. The relevant definitions are as follows:

Attending School - An individual is considered to be attending school if the individual is enrolled in secondary or post-secondary school. These include, but are not limited to traditional K-12 public and private, and alternative schools.

Not Attending School - an individual who is not attending a secondary or post-secondary school.

### **Basic skills deficient definition**

As referenced in WIOA, an individual is considered to be basic skills deficient if they are unable to compute or solve problems, or read, write, or speak English at a level necessary to function on the job, in the individual’s family, or in society.

Criteria used to determine whether an individual is basic skills deficient includes the following:

Lacks a high school diploma or high school equivalency and is not enrolled in secondary education.

- Enrolled in a Title II Adult Education/Literacy program.
- English, reading, writing, or computing skills at an 8.9 or below grade level.
- Determined to be Limited English Skills proficient through staff-documented observations.
- Other objective criteria determined to be appropriate by the Local Area and documented in its required policy

*\*This definition is included in Draft Directive: [WSDD-119](#) – WIOA Adult Program Priority of Service.*

Waivers: NA

## TITLE I-B ASSURANCES

1. The state has implemented a policy to ensure adult program funds provide a priority in the delivery of career and training services to individuals who are low income, public assistance recipients or basic skills deficient;
2. The state has implemented a policy to ensure Local Areas have a process in place for referring veterans with significant barriers to employment to career services provided by the JVSG program's Disabled Veterans' Outreach Program (DVOP) specialist;
3. The state established a written policy and procedure that set forth criteria to be used by chief elected officials for the appointment of Local Board members;
4. The state established written policy and procedures to ensure Local Boards are certified by the Governor every two years in accordance with WIOA section 107(c)(2);
5. The state established a written policy and procedure for how the individuals and entities represented on the State Board help to determine the methods and factors of distribution, and how the state consults with chief elected officials in Local Areas throughout the state in determining the distributions;
6. The state will not use funds received under WIOA Title I to assist, promote, or deter union organizing in accordance with WIOA section 181(b)(7);
7. The state distributes adult and youth funds received under WIOA equitably throughout the state, and no Local Area suffers significant shifts in funding from year-to-year during the period covered by this plan;
8. If a state board, department, or agency administers state laws for vocational rehabilitation of persons with disabilities, that board, department, or agency cooperates with the agency that administers Wagner-Peyser services, Adult and Dislocated Worker programs and Youth Programs under Title I;
9. Priority of Service for covered persons is provided for each of the Title I programs;
10. The state agrees to report on the impact and outcomes of its approved waivers in its WIOA Annual Report; and
11. The state has taken appropriate action to secure compliance with the Uniform Guidance at 2 CFR 200 and 2 CFR 2900, including that the state will annually monitor Local Areas to ensure compliance and otherwise take appropriate action to secure compliance with the Uniform Guidance under section WIOA 184(a)(3);