

Implementation Snapshot

DIRECT DELIVERY

Following numerous inquiries requesting clarification on the competitive selection of youth providers and which services must be provided by entities identified in accordance with WIA Section 123, USDOL has proposed a regulation to clarify which youth activities may be conducted by the local grant recipient and which services must be provided by entities identified in accordance with WIOA Section 123. The regulation is as follows:

NPRM § 681.400 What is the process used to select eligible youth providers?

(a) As provided in WIOA Section 123, the Local Board must identify eligible providers of youth workforce investment activities in the local area by awarding grants or contracts on a competitive basis, except as provided below in paragraph (a)(3) of this section, based on the recommendation of the youth standing committee, if they choose to establish a standing youth committee and assign it that function. If such a committee is not established for the local area, this responsibility falls to the Local Board.

(2) Local areas must conduct a full and open competition to secure youth service providers according to the Federal procurement guidelines at 2 CFR parts 200 and 2900, in addition to applicable State and local procurement laws.

(3) Where the Local Board determines there is an insufficient number of eligible providers of youth workforce investment activities in the local area, such as a rural area, the Local Board may award grants or contracts on a sole source basis (WIOA § 123(b)).

(b) The requirement in WIOA *Section 123* that eligible providers of youth services be selected by awarding a grant or contract on a competitive basis does not apply to the design framework services when these services are more appropriately provided by the grant recipient/fiscal agent. Design framework services include intake, objective assessments and the development of individual service strategy, case management, and follow-up services.

WDA Analysis



Three of the 14 required services, per WIOA Section 129(c)(2) and NPRM Section 681.460, may be directly provided by the grant recipient/fiscal agent. These services include:

- ◆ Follow-up services for not less than 12 months after the completion of participation, as provided in § 681.580; and
- ◆ Services that provide labor market and employment information about in-demand industry sectors or occupations available in the local area, such as career awareness, career counseling, and career exploration services; and
- ◆ Supportive services, including the services listed in § 681.570.

This leaves eleven additional services that must be provided via competitive bid, including:

- ◆ Tutoring, study skills training, instruction and evidence-based dropout prevention and recovery strategies that lead to completion of the requirements for a secondary school diploma or its recognized equivalent or for a recognized post secondary credential;
- ◆ Alternative secondary school services, or dropout recovery services, as appropriate;
- ◆ Paid and unpaid work experiences
- ◆ Occupational skill training;
- ◆ Education offered concurrently with and in the same context as workforce preparation activities and training for a specific occupation or occupational cluster;
- ◆ Leadership development opportunities, including community service and peer-centered activities encouraging responsibility and other positive social and civic behaviors;
- ◆ Adult mentoring for a duration of at least 12 months, that may occur both during and after program participation;
- ◆ Comprehensive guidance and counseling;
- ◆ Financial literacy education;
- ◆ Entrepreneurial skills training; and
- ◆ Activities that help youth prepare for and transition to post-secondary education and training.



WORK EXPERIENCE REQUIREMENT

Under WIOA, work experience becomes the most important of the program elements. Local youth programs must use not less than 20 percent of the funds allocated to the local area to provide youth participants, both ISY and OSY, with paid and unpaid work experiences. In order to ensure that local WIOA youth programs meet this requirement, the Department proposes that local WIOA youth programs track program funds spent on paid and unpaid work experiences, and report such expenditures as part of the local WIOA youth financial reporting. Program expenditures on the work experience program element include wages as well as staffing costs for the development and management of work experiences. Like the 75 percent OSY expenditure requirement, local area administrative costs are not subject to the 20 percent minimum work experience expenditure requirement. The work experience expenditure rate is calculated for local area funds after subtracting out funds spent on administrative costs and is calculated based on remaining total local area youth funds rather than calculated separately for in-school and OSY. (NPRM § 681.590)

Out-of-School Youth (OSY) Expenditure Requirement

WIOA increases the minimum OSY expenditure rate for the youth formula-funded program from 30 percent under WIA to 75 percent under WIOA. The OSY expenditure rate for local area funds is calculated after subtracting funds spent on administrative costs. States and local areas must work towards spending 75 percent of PY 2015 funds on OSY. If they cannot meet the 75 percent requirement for their 2015 funds, they must demonstrate progress towards meeting the 75 percent OSY minimum expenditure rate through increased expenditures on OSY compared to the previous year. The increased expenditures must be a minimum increase of 10 percentage points compared to the previous year and no lower than a 50 percent OSY expenditure rate. (TEGL 23-14)

Requires Additional Assistance Barrier

Per Section 129 (a)(3)(B) of WIOA, in each local area, not more than five percent of ISY may be individuals with a sole barrier of ‘An individual who requires additional assistance to complete an educational program or to secure or hold employment’, as described in Section 129 (a)(1)(C)(iv)(VII).

This limitation applies to ISY enrolled in WIOA on or after July 1, 2015. Local areas are to define “requires additional assistance” criterion in their local plan. This definition will apply to OSY as well.

