



West Tennessee Workforce Development Board

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Board Chair

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Local Workforce Development Area 11 Policy Memorandum # 17-2

Subject:

Minimum Participant Cost Rate (MPCR)

Purpose:

The purpose of this memorandum is to implement, in accordance with State Workforce Development Board (SWDB) guidance, the Workforce Innovation and Opportunity Act (WIOA) Title I LWDB-11 formula funds minimum participant cost rate for allowable WIOA-funded services.

References: Public Law 113-128 WIOA of 2014, as amended (29 U.S.C. 3101 et seq.), Section 116(b), Section 116(d), Section 128(b), Section 133(b), Section 129, Section 134, 20 CFR 680.200, 681.460, Office of Management and Budget (OMB) cost principles codified in 2 CFR Part 200, TEGL 19-16, TEGL 21-16, WIOA, Section 101(d)(4), TN WIOA 17-11 Minimum Participant Cost Rate

Background:

Per **WIOA, Section 116(b)(2)(B)**, the State Workforce Development Board has established a minimum participant cost rate (MPCR) as an additional State performance accountability measure. This policy is designed to set a benchmark for participant expenditures to more effectively focus on serving more individuals which impacts performance and outcomes, thus placing more of an emphasis on ensuring financial integrity of taxpayer dollars in partnership with our workforce system stakeholders.



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Policy:

Per **TN WIOA 17-11 Minimum Participant Cost Rate**, LWDB-11 shall ensure a minimum of 40 percent (40%) of WIOA Title I formula funds allocated to the Board (**WIOA Section 128(b)(4) and 133(b)**) is expended on allowable participant costs under WIOA funded services per **WIOA Section 129(c)(2), WIOA Section 134, TEGL 19-16 and TEGL 21-16**.

Qualifying expenditures under this policy are those that represent the cost of services for Title I (Adult, Dislocated Worker, and Youth) participants that do not include administrative, personnel or operating expenditures and are listed below:

A. Youth Services

- a. Tutoring, study skills training, instruction, and dropout prevention services (**20 CFR 681.460 (a)(1)**)
- b. Alternative secondary school services or dropout recovery services (**20 CFR 681.460 (a)(2)**)
- c. Paid and unpaid work experience (**20 CFR 681.600**)
- d. Occupational skills training (**20 CFR 681.540**)
- e. Education offered concurrently with workforce preparation and training for a specific occupation (**20 CFR 681.630**)
- f. Leadership development opportunities (**20 CFR 681.520**)
- g. Supportive services (**20 CFR 681.570**)
- h. Adult mentoring (**20 CFR 681.490**)
- i. Follow-up services (**20 CFR 681.580**)
- j. Comprehensive guidance and counseling (**20 CFR 681.510**)
- k. Financial literacy education (**20 CFR 681.500**)
- l. Entrepreneurial skills training (**20 CFR 681.560**)
- m. Services that provide labor market information (**20 CFR 681.460 (1)(13)**)
- n. Post-secondary preparation and transition activities (**20 CFR 681.460 (a)(14)**)

B. Adult and Dislocated Worker Services

- a. Career Services defined (**20 CFR 678.430**) as costs directly benefiting participants (i.e. assessments) and does not include salaries of staff providing the assessments.
- b. Training services (**20 CFR 680.200 through .230 and 20 CFR 680.300 through .350**). Types of training services that may be provided include:
 - i. Occupational skills training, including training for nontraditional employment;
 - ii. On-the-job training;
 - iii. Incumbent worker training;
 - iv. Programs that combine workplace training with related instruction, which may include cooperative education programs;
 - v. Training programs operated by the private sector;
 - vi. Skill upgrading and retraining;
 - vii. Entrepreneurial training;
 - viii. Job readiness training provided in combination with the training services described in any of clauses (a) through (g) or transitional jobs;
 - ix. Adult education and literacy activities, including activities of English Language acquisition and integrated education and training programs, provided concurrently or in combination with services provided in any of clauses (a) through (g); and
 - x. Customized training conducted with a commitment by an employer or group of employers to employ and individual upon successful completion of the training.
- c. Supportive Services (**20 CFR 680.900**)

The **base year** for this policy is program year July 1, 2017 through June 30, 2018. Calculation of MPCR will be conducted by dividing the Total Qualifying Expenditures incurred by the Total Cumulative Expenditures – Program Only (as reported on the Monthly Expenditure Report).

Action:

Forty percent (40%) of program costs of each formula contract received by LWDB-11 is designated on the front end to be spent on participant training. This number is made a part of each formula contract assigned to the One-Stop Operator and designated as “participant training costs”. The One-Stop Operator has been given copies of this policy and has been informed of the importance of meeting this requirement.

Board staff has requested that monthly reports from the One-Stop Operator denoting total expenditures versus qualifying expenditures toward the MPCR be submitted. LWDB-11 staff will also keep track of training-related expenditures through monthly review of invoices submitted by the One-Stop Operator for reimbursement.

In the event of failure to meet the 40% MPCR, a **corrective action plan** denoting action steps and a timeline for meeting the 40% required rate will be submitted and approved by the LWDB-11. In addition to the action steps and timeline, the plan will also address the following:

- Measurable benchmarks/Indicators to ensure LWDA is on track to meet expected outcome
- Acknowledgement by the LWDB that area is subject to remedies for non-compliance as outlined in 2CFR 200.207 and 200.338 until the MPCR is attained
- Any other information beneficial for state review and comment

Contact:

Questions regarding this policy should be addressed to Jimmy Bell, LWDB-11 Director, at SWHRA, 1527 White Avenue, P. O. Box 264, Henderson, TN 38340. Phone: (731) 983-3688. Email: jbelle@swhra.org.

Effective Date: July 1, 2017

Expiration Date: Until further notice

Approved:



Jimmy Bell, LWDA-11 Director