
	<b>NCWorks Commission</b>
	<b>NCWorks Commission Policy Statement Number: CPS 09-2021, Change 1</b>
	<b>Date: May 10, 2023</b>
	<b>Subject: Workforce Innovation and Opportunity Act (WIOA) Youth Formula Funds Expenditure Requirements</b>
	<b>From:</b>  <hr/> <b>Tom B. Rabon, Jr.</b> <b>Chair, NCWorks Commission</b>

**Purpose:** To inform Local Area Workforce Development Boards (WDBs) of the requirements to meet the mandated 20% work experience rate for local WIOA Title I Youth formula funds and the mandated expenditure rate of at least 75% for local Youth formula funds used to serve out-of-school youth (OSY), unless a waiver has been granted. This change provides an updated list of allowable costs that may be included in work experience expenditures, in accordance with Training and Employment Guidance Letter (TEGL) 9-22, that was issued March 2, 2023.

This Commission Policy Statement (CPS) rescinds CPS 09-2021 and the procedures herein supersede all previous policy, procedures, and guidelines regarding Youth Formula Funds Expenditure Requirements.

**Background:** The North Carolina Department of Commerce, Division of Workforce Solutions (DWS), has oversight responsibilities for the WIOA, Public Law No. 113-128. These responsibilities include management of resources appropriated to the state to maximize use of funds to address success of workforce development efforts.

Operational implementation of the WIOA, youth program began on July 1, 2015, with all provisions taking effect July 1, 2016. WDBs are required to meet the 20% minimum work experience rate and a minimum 75% OSY expenditure rate using local youth formula funds made available April of each Program Year (PY), unless a waiver has been granted. Expenditure information must be reported in the Monthly Financial Report (MFR) in Workforce Information System Enterprise (WISE).

WIOA section 129(c)(4) and TEGL 21-16 prioritize work experiences with

the requirement that WDBs must spend a minimum of 20% of non-administrative local formula funds on work experience. Under WIOA, paid and unpaid work experiences that have as a component academic and occupational education may include the following four categories: summer employment opportunities and other employment opportunities available throughout the school year; pre-apprenticeship programs; internships and job shadowing; and on-the-job training opportunities.

Training and Employment Guidance Letter Nos. 8-15 and 9-22 provide further discussion of allowable expenditures that may be counted toward the work experience expenditure requirement and articulates that program expenditures on the work experience program element can be more than just wages paid to youth in work experience. Administrative costs are not subject to, nor included in, the 20% minimum work experience expenditure requirement. Allowable work experience expenditures include the following:

- Wages/stipends paid for participation in a work experience;
- Staff time working to identify and develop a work experience opportunity, including staff time spent working with employers to identify and develop the work experience;
- Staff time working with employers to ensure a successful work experience, including staff time spent managing the work experience;
- Staff time spent evaluating the work experience;
- Participant work experience orientation sessions;
- Employer work experience orientation sessions;
- Classroom training or the required academic education component directly related to the work experience;
- Incentive payments directly tied to the completion of work experience;
- Employability skills/job readiness training to prepare youth for a work experience;
- Expenses for a registered apprenticeship/pre-apprenticeship that occur before the youth exits the WIOA program; and,
- Supportive services that enable participation in work experience.

In addition, the WIOA section 129(a)(4) states not less than 75% of WIOA youth funds are required to be spent on OSY, unless a waiver has been granted. WIOA youth programs will provide a needed continuum of services to help disconnected youth navigate between the educational and workforce. It is critical that WDBs adjust and incorporate the best strategies for recruiting and serving OSY.

**Action:**

It is expected that each WDB will meet the 20% minimum work experience expenditure rate and the minimum 75% OSY expenditure rate, unless a waiver has been granted, at the end of each fund availability period as identified in the WDB Plan. Virtual work experiences are allowed and encouraged, especially in rural areas. The work experience activities and academic

component must be documented in the youth's Individual Service Strategy (ISS) and case notes that are entered in NCWorks.gov. Local WDBs should incorporate this guidance and update related policies, as appropriate.

If, at the end of the availability period of the PY for youth formula funds, WDBs have not expended at least 75% of their non-administrative youth funds on OSY, unless a waiver has been granted, and/or have not expended at least 20% of their non-administrative youth formula funds on work experience activities, then DWS has the authority to implement the processes and procedures in the Local Workforce Board Sanctions and Appeal Policy, which may be found on the North Carolina Department of Commerce website. The final WISE PY MFR, due in August each year reflecting expenditures through June 30, will determine if WDBs have met the required expenditure rates.

For additional assistance, WDB Directors may contact their assigned DWS Planner.

**Effective Date:** Immediately

**Expiration:** Indefinite

**Contact:** DWS Planner