

New River/Mount Rogers Workforce Investment Board **Training Voucher System Policy**

Policy Statement

Individual empowerment through informed customer choice is one of seven principles that guided the authors of the Workforce Investment Act. A key tool to actualize this principle is the use of individual training accounts, or vouchers, which give adults the power to choose eligible training programs and qualified training institutions as a means of accomplishing their training and employment goals.

The New River/Mount Rogers Workforce Investment Board training voucher system supports a “work first” philosophy, so that those who cannot find employment through core and intensive services will logically be those with substantial barriers to employment and to self-sufficiency. As such, vouchers for job training shall be accompanied by a strong case management system that provides the counseling assistance and the supportive services necessary for the success of those individuals.

The New River/Mount Rogers Workforce Investment Board training voucher system is also designed to support incumbent worker training, so that citizens have the opportunity to develop enhanced work skills that are in demand by local employers and that will lead to better wages and self-sufficiency for the individual.

Each local Virginia Workforce Comprehensive One-Stop Center must serve as a point of access to vouchers for WIA Title I training services. All WIA Title I training services, except as noted in Attachment A, “Exceptions to the Use of Vouchers,” of State Policy 00-8, must be purchased by adults or dislocated workers using a locally approved voucher. Without exception, WIA training vouchers may be used only for the purchase of training from certified training providers.

Vouchers are intended for use by adults only. The use of vouchers shall not be used for customers enrolled in WIA Youth Programs, except those 18 years and older that are concurrently enrolled as an adult.

New River/Mount Rogers Workforce Investment Board
Training Voucher System

A. Vouchers are to be provided through local comprehensive one-stop service delivery centers in the New River/Mount Rogers area to purchase the following training services for eligible and qualified adults and dislocated workers:

1. Occupational skills training;
2. Programs that combine workplace training with related instruction, which may include cooperative education programs;
3. Training programs operated by the private sector;
4. Skill upgrading and retraining;
5. Entrepreneurial training;
6. Job readiness training that leads to employment;

Job readiness training that is pre-vocational (not intended to result in employment) would be considered an intensive service, which can be contracted.

7. Adult education and literacy activities provided in combination with training services listed above that lead to employment.

Stand-alone adult literacy, basic skills education, and English as a second language classes and rudimentary computer lessons that prepare adults to enter occupational skills training may be considered pre-vocational services and may be provided as intensive services.

Eligible Adult and Dislocated Worker Criteria

I. Adult Eligibility Criteria

A. To be an eligible adult under Title I of the Workforce Investment Act (WIA), an individual must meet all three of the following criteria:

1. Be 18 years of age or over;
2. Comply with the provisions of the Military Selective Service;
and
3. Be lawfully eligible to work in the United States.

II. Dislocated Worker Eligibility Criteria

A. In addition to meeting the requirements listed above for eligible adults, an individual must meet any one of the four following categories of eligibility:

1. (a) Has been terminated or laid off or has received a notice of termination or layoff from employment; and
(b) Is eligible for or has exhausted entitlement to unemployment compensation, or has been employed for a duration sufficient to demonstrate, to the appropriate entity at a one-stop center, attachment to the workforce, but is not eligible for unemployment compensation due to insufficient earnings or having performed services for an employer that was not covered under a State unemployment compensation law; and
(c) Is unlikely to return to a previous industry or occupation.
2. Has been terminated or laid off, or has received a notice of termination or layoff, from employment as a result of any permanent closure of, or any substantial layoff at, a plant, facility, or enterprise; or is employed at a facility where the employer has made a general announcement that such facility will close within 180 days.
3. (a) Was self-employed (including employment as a farmer, a rancher, or a fisherman); and
(b) Is unemployed as a result of natural disasters or general economic conditions in the community where the individual resides.
4. (a) Is a displaced homemaker who has been providing unpaid services to family members in the home; and
(b) Who has been dependent on the income of another family member but is no longer supported by that income; and
(c) Is unemployed or underemployed; and
(d) Is experiencing difficulty upgrading or obtaining employment.

B. Eligibility of the dislocated worker is determined at the time of application. If served by the dislocated worker program, this determination remains intact for the period of program participation.

III. Priority of Service

Due to the fact that funds allocated to this area for adult employment and training activities are limited priority shall be given to recipients of public assistance and other low-income individuals for training services.

- B. Training vouchers must be used only to procure training from local and/or statewide-certified training providers. Initially, all training providers must be certified locally; however, at a later date, vouchers will only be used to procure training from training providers included on the statewide list.

Costs associated with the certified training such as tuition, fees or any other required material not currently classified as a supportive service may also be purchased using vouchers.

- C. The use of vouchers must be linked to occupations that are in demand in the local area or to sectors of the economy that have a high potential for sustained demand or growth in the local area.

Individuals willing to relocate may receive training in occupations in demand in another area.

The deliverer of Title I Adult/Dislocated Worker services must document in the client file that the following has been complied with:

1. A representative listing of companies in the area in which the client desires to be employed, that employ individuals with the training that the client is seeking; and
 2. Range of starting wages for the companies listed in 1 above; and
 3. Labor market analysis of growth/demand for positions in the training area.
- D. Training vouchers shall be issued only after an individual receives core and intensive services and continues to be unsuccessful in finding employment and in consultation with a skilled and knowledgeable case manager. Personnel responsible for providing career counseling and assessment to WIA customers, either employed by the partners or the One-Stop Operator, shall have the appropriate training to provide such services.
1. The case manager determines after an interview and individual in-depth objective assessment that the customer is in need of training. Individual assessment shall identify barriers to successful employment, including the need for training, and to the completion of training and shall identify and need for support services.
 2. The case manager shall assist with the development of a training plan and employment goals. Individual assessment shall also be used to indicate appropriateness of training and employment goals based on skills, abilities and interests. The case manager shall provide appropriate career counseling to ensure that training and employment goals are realistic and achievable. In addition, the case manager shall provide labor market information, including current information on employment and wage trends and projections, to ensure that vouchers are used to purchase training that is directly linked to employment opportunities in the local area or in an area to which the customer is willing to relocate.

3. The case manager shall assist the customer to objectively compare and evaluate consumer reports of training providers.
 4. The case manager shall ensure that necessary support services, such as childcare or reliable transportation, are in place through referral to partners, community services or funded by WIA.
 5. The case manager shall coordinate WIA vouchers with all other sources of financial aid available to the customer so that duplication does not occur. WIA requires the coordination of training costs with funds available under other Federal programs. To avoid duplicate payment of costs when a customer is eligible for both WIA and other assistance, including a Pell Grant, case managers shall consider all available sources of funds, excluding loans, in determining a customer's overall need for WIA funds. The exact mix of funds shall be determined based on the availability of funding for either training costs or supportive services, with the goal of ensuring that the costs of the training program the customer selects are fully paid and that necessary supportive services are available so that the training can be completed successfully. The case manager shall also verify that there is no duplication of training vouchers provided by other local workforce areas in Virginia.
 4. The case manager shall follow-up on a regular basis (once monthly) with customers that are in training programs, to develop retention strategies, if necessary, and to authorize or cancel continued training vouchers as appropriate. Payments may be made incrementally, through payment of a portion of the costs at different points in the training course.
- E. Training services must be provided in a manner that maximizes informed consumer choice in selecting an eligible provider.
1. The One-Stop Operator and deliverers of Title I Adult/Dislocated Worker services must make available to customers the listing of locally approved training providers. Once the statewide system is operational, the customer must have access to this statewide listing. Additionally, the following information must be made available to all customers:
 - (a) Information on programs of training services that are linked to occupations in demand in the local area;
 - (b) Performance and cost information, including program-specific performance and cost information, for the local outlet(s) of multi-site eligible providers; and
 - (c) Performance for significant customer groups, performance at specific training sites, and wage and employment trends as related to training.
 2. Each One-Stop Operator must make available the information identifying eligible local providers of on-the-job training and customized training, and the expected outcomes, performance and cost information of that training.

3. Each One-Stop Operator must make available the consumer reports of any other adult training that is provided under contract in the local area. The adult and dislocated worker customers must have enough information to fully understand all of the options available to them. Program-specific factors must include expected outcomes, expected wages for target job, overall performance, performance for significant customer groups (including wage replacement rates for dislocated workers), special accommodations or support services available and duration of training programs.
4. If all the requirements for eligibility, qualification, priority of service, and case management are met, and if the program has not exhausted funds for the program year, the Operator must refer the customer to his/her selected certified provider, and provide a voucher in accordance with local policy for the individual to pay for training.

F. Payments of Vouchers

The payment of all training vouchers is the responsibility of the deliverer of WIA Title I Adult/Dislocated Worker services. Payment of vouchers may be made utilizing any of the following methods:

1. Electronic transfer of funds through financial institutions;
2. Vendor accounts with the program operator;
3. Payment of invoices submitted to program operator based on vouchers received by training providers;
4. Payment of actual documented billed cost, which is less than the level of the voucher provided. This could be used for the purchase of other required material etc. when the voucher is used as a "cap" and all actual expenditures up to the "cap" will be paid by the Program Operator.
5. Any other appropriate method approved by WIB staff.

G. Limitations on Voucher Usage

The following limitations and restrictions apply to the usage of vouchers to purchase training through selection of approved training providers:

1. All vouchers must be based on the needs of the individual customer as identified in the individual employment plan or service strategy; and
2. Each voucher cannot exceed the sum of \$4,000; and
3. Each customer cannot utilize more than \$4,000 of total vouchers in a twelve month period; and
4. Total customer participation in training utilizing vouchers cannot exceed a total of 36 months; and

5. Vouchers must be directly linked to occupations that are currently in demand in the local area or to occupations determined to be in sectors of the economy that have a high potential for sustained growth in the local area; and
6. Vouchers may only be used at approved, certified training providers as certified by the WIB and/or on the approved statewide list of training providers. Eligible providers may change year-to-year as performance data is collected and evaluated. Approved training provider listings will be updated regularly at the local level.

Exceptions to the Use of Vouchers for Training Services

In the limited cases where contracts are used rather than vouchers, the contracts negotiated by the one-stop center must prohibit training institutions or organizations from holding the student liable for outstanding charges.

A. On-the-job Training

1. The term “on-the-job training” (OJT) means:
 - (a) training that is provided to a paid employee while engaged in productive work in a job;
 - (b) knowledge or skills training that is essential to the full and adequate performance of the job; and
 - (c) training that provides reimbursement to the employer of up to 50 percent of the wage rate of the customer, of the extraordinary costs of providing the training and additional supervision related to the training.
2. OJT contracts may be written for eligible employed workers when:
 - (a) the employee is not earning a self-sufficient wage;
 - (b) the OJT relates to the introduction of new technologies, introduction to new production or service procedures, upgrading to new jobs that required additional skills, workplace literacy, or other appropriate purposes identified by the WIB; and
 - (c) the OJT meets the identified training needs of the customer, according to an individual employment plan.
3. Eligible employers:
 - (a) may be in the public, private non-profit, or private sector;
 - (b) must have the personnel to provide adequate supervision and training;
A training plan signed by the employer must describe the skills to be learned and the responsibilities of the supervisor or trainer.
 - (c) must provide a minimum of 50% of the employee’s wages throughout the training;
Customers in on-the-job training must be compensated at the same rates, including periodic increases, as trainees or employees who are similarly situated in similar occupations by the same employer and who have similar training, experience and skills. Such rates must be in accordance with applicable law, but may not be less than the higher of the rate specified in

section 6(a)(1) of the Fair Labor Standards Act of 1938 or the applicable State or local minimum wage law.

- (d) must provide benefits and working conditions at the same level and to the same extent as other trainees or employees working a similar length of time and doing the same type of work;
- (e) must not have a history or pattern of failing to provide OJT customers with continued long-term employment with wages, benefits, and working conditions that are equal to those provided to regular employees who have worked a similar length of time and are doing the same type of work;
- (f) must not have relocated from any location in the United States within 120 days, if the relocation resulted in any employee losing his or her job at the original location;
- (g) must not use OJT assignments to displace regular employees, or to replace any employee on layoff.

4. Payments to employers:

- (a) are deemed to be compensation for the extraordinary training costs associated with training customers including additional supervision and the costs associated with the lower productivity of the customers, and those extraordinary costs need not be documented by the employer; and
- (b) must not be in excess of 50 percent of the wage rate of the OJT customer.

5. Duration:

An OJT contract must be limited to the period of time required for a customer to become proficient in the job for which the training is designed. In determining the appropriate length of the contract, consideration should be given to the skill requirements of the job, the academic and occupation skill level of the customer, prior work experience, and the customer's individual employment plan. The specific Vocational Preparation Code of the Dictionary of Occupational Titles must be used in determining the appropriate length of on-the-job training. The training plan shall describe a timeline for completion of the training.

6. One-Stop Operators in a local area shall collect the performance information for each OJT customer.

7. Consumer reports:

All OJT performance information, along with the other relevant information, must be made available by the One-Stop Operator through the one-stop delivery system.

B. Customized Training

1. Customized training is defined as training

- (a) that is designed to meet the special requirements of an employer or a group of employers; and

Customized training must not be provided to employers that have relocated from any location in the United States within 120 days, if the relocation resulted in any employee losing his or her job at the original location.

- (b) that is conducted with a commitment by the employer(s) to employ, or in the case of incumbent workers, continue to employ, a customer on successful completion of the training; and

Customized training of an eligible employed customer may be provided when the employee is not earning a self-sufficient wage. In that case, the training should lead to the potential for increased wages.

- (c) for which the employer pays for not less than 50 percent of the cost of the training.

2. One-stop operators in a local area shall collect the performance information for customized training programs in their areas.

3. Consumer reports

All customized training performance information, along with the other relevant consumer information, must be made available by the One-Stop Operator through the one-stop delivery system.

C. Training for Special Populations

Contracts for training may be utilized if it is determined that there is a training services program of demonstrated effectiveness offered to serve targeted low-income special customer populations that face multiple barriers to employment. Prior approval must be received from WIB staff prior to utilization.

1. "Special customer population that faces multiple barriers to employment" means:

- (a) low-income individuals with substantial language or cultural barriers;
- (b) low-income individuals who are offenders;
- (c) low-income individuals who are homeless; or
- (d) other low-income hard-to-serve populations with special needs.

2. An eligible provider is:

- (a) a community-based organization (CBO);
 - (b) other private organizations.
3. Demonstrated effectiveness of the training provider is determined by application of the following criteria:
- (a) financial stability of the organization;
 - (b) demonstrated performance in measures appropriate to the program including participant completion rate, attainment of skills, certificates or degrees the program is designed to provide, placement after training in unsubsidized employment, and retention in employment; and
 - (c) how the specific program relates to the Workforce Investment needs as specified in the Strategic Plan.

Note: Demonstrated effectiveness is in addition to meeting the requirements for qualifying as an eligible training provider.

- D. All training providers operating under the voucher exceptions still must qualify as eligible providers.
- E. Performance data for all WIA Title I funded customers participating in any program of contracted training services must be tracked and submitted to the WIB. The following data must be tracked on all participants:
- 1. The percentage of adult WIA customers who have completed the applicable training program and enter unsubsidized employment generally related to the training and for which there are jobs in the community;
 - 2. The percentage of dislocated workers who have completed the applicable program and who are placed in unsubsidized employment related to training;
 - 3. The retention rates in unsubsidized employment of customers who have completed the applicable program, 6 months after the first day of the employment;
 - 4. The wages received by customers who have completed the applicable program, 6 months after the first day of the employment involved;
 - 5. Where applicable, the rates of licensure or certification, attainment of academic degrees or equivalents, or attainment of other measures of skills, of the WIA graduates of the training services program; and
 - 6. The measure of customer satisfaction of all WIA customers who are enrolled in or have completed the applicable training services program.