



STATE INSTRUCTION NUMBER 15-08

To: LWIA Youth Providers

Subject: Youth Program Changes under WIOA

Issuance Date: April 6, 2016

Effective Date: July 1, 2015

Purpose: To formally transmit guidance on changes to the youth program under the Workforce Innovation and Opportunity Act (WIOA).

Background: In July of 2014, WIOA was signed into law, replacing the Workforce Investment Act (WIA). While the core structure of WIOA youth services remains much the same as the structure under WIA, there are a number of significant changes, including:

- eligibility criteria;
- the five percent low income exception;
- the five percent limitation on In-School Youth (ISY) who require additional assistance;
- an increase in the required expenditure rate on Out-of-School Youth (OSY);
- a requirement that 20 percent of local youth funds must be used for work-based activities;
- inclusion of five new program elements.

Policy: Specific changes regarding youth program eligibility, expenditures and service requirements under WIOA are outlined below.

I. Eligibility

WIOA defines eligibility criteria for out-of-school and in-school youth and expands the age of eligibility for OSY to 24. Eligibility requirements are defined below.

An **out-of-school youth** is an individual who is not younger than age 16 or older than 24 at the time of enrollment, is not attending any school, and is one or more of the following:

1. A school dropout;
2. A youth who is within the age of compulsory school attendance (defined as under the age of 17 in South Carolina), but has not attended school for at least the most recent complete school year calendar quarter (based on how a local school district defines its school year quarters);

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3. A low-income individual who is a recipient of a secondary school diploma or its recognized equivalent, and is either basic skills deficient or an English language learner;
4. An individual who is subject to the juvenile or adult justice system;
5. A homeless individual (as defined in the Violence Against Women Act of 1994 or the McKinney-Vento Homeless Assistance Act), a runaway, an individual who is in foster care or who has aged out of the foster care system, a child eligible for assistance under Section 477 of the Social Security Act, or an individual who is in an out-of-home placement;
6. An individual who is pregnant or parenting;
7. An individual with a disability; or
8. A low-income individual who requires additional assistance to enter or complete an educational program or to secure or hold employment.

An **in-school youth** is an individual who is not younger than age 14 or older than 21 at the time of enrollment, is attending school, is low-income, and is one or more of the following:

1. Basic skills deficient;
2. An English language learner;
3. An offender;
4. A homeless individual (as defined in the Violence Against Women Act of 1994 or the McKinney-Vento Homeless Assistance Act), a runaway, an individual who is in foster care or who has aged out of the foster care system, a child eligible for assistance under Section 477 of the Social Security Act, or an individual who is in an out-of-home placement;
5. An individual who is pregnant or parenting;
6. An individual with a disability; or
7. An individual who requires additional assistance to complete an educational program or to secure or hold employment.

The term **school** refers to both secondary and post-secondary school. However, the US Department of Labor does not consider providers of Adult Education under title II of WIOA, YouthBuild programs, or Job Corps programs to be schools. Therefore, youth attending these programs are considered to be out-of-school for purposes of WIOA youth program eligibility.

The term **basic skills deficient** means the youth has English reading, writing, or computing skills at or below the 8th grade level on a generally accepted standardized test.

Local Boards must establish definitions and eligibility requirements in written policies when using the “**requires additional assistance**” criteria for OSY, as well as ISY. Policies should be reasonable, quantifiable, and based on evidence that the specific characteristic of the youth identified in the policy objectively requires additional assistance.

An individual who meets any *one* of the following criteria satisfies the **low-income requirement** for the WIOA youth program:

1. Receives, or in the past six months has received, or is a member of a family that is receiving or in the past six months has received, assistance through the Supplemental Nutrition Assistance Program (SNAP), the Temporary Assistance for Needy Families (TANF) program, or the Supplemental Security Income (SSI) program, or state or local income-based public assistance;
2. Receives an income, or is a member of a family that receives an income that, in relation to family size, is not in excess of the most recent Family Income guidelines issued via State Instruction;
3. Is a homeless individual as defined in the McKinney-Vento Homeless Assistance Act or the Violence Against Women Act of 1994;
4. Receives, or is eligible to receive, a free or reduced-price lunch under the Richard B. Russell National School Lunch Act;
5. Is a foster child on behalf of whom State or local government payments are made; or
6. Is an individual with a disability whose own income meets the income requirement above, but who is a member of a family whose income does not meet this requirement.

Five Percent Low-Income Exception

Five percent of local area participants, who ordinarily would need to be low-income, do not need to meet the low-income provision. This includes all ISY and those OSY with a high school diploma or those OSY who require additional assistance. (See OSY #3 and #8 above.)

For example, a local area served 200 youth and 100 of those youth were OSY who were not required to meet the low-income criteria, 50 were OSY who were required to meet the low-income criteria, and 50 were ISY. In this example, the 50 OSY required to be low income and the 50 ISY are the only youth factored into the 5% low-income exception calculation. Therefore, 5 of the 100 youth who ordinarily would be required to be low-income do not have to meet the low-income criteria based on the low-income exception.

Five Percent In-School Youth Limitation

Not more than five percent of ISY may be individuals whose only barrier is “requires additional assistance to complete an educational program or to secure and hold employment.” This limitation is applied to all ISY participants served in a program year.

II. Expenditures

Increased Spending on Out-of-School Youth

A minimum of 75 percent of WIOA youth funds is required to be spent on OSY, which is an increase from the 30 percent minimum under WIA. Administrative costs are not a part of the 75 percent OSY expenditure calculation. Further, the 75 percent expenditure rate is a minimum requirement. Therefore, local areas may spend up to 100 percent of their youth funds on OSY if they choose. The OSY expenditure rate is tracked for a specific program year allocation, effective with the Program Year (PY) 2015 WIOA youth allocation. While compliance with the requirement is evaluated upon full expenditure of allocated funds, local workforce areas should review expenditures on OSY at least annually to ensure the requirement is met at the end of the grant period.

If a local area cannot meet the 75 percent OSY minimum expenditure rate for their PY 2015 funds, progress towards meeting the requirement must be demonstrated 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. All local areas must spend a minimum of 75 percent of PY 2016 youth funds on OSY.

Expanded Work-Based Activities

Under WIOA, a minimum of 20 percent of local area youth funds must be spent on work-based activities. Administrative costs are not included in the 20 percent requirement. Further, the 20 percent expenditure requirement is not applied separately for ISY and OSY; it is applied to the youth program as a whole. The 20 percent minimum work-based activities expenditure requirement is tracked for a specific program year allocation, effective with the PY 2015 WIOA youth allocation. While compliance with the requirement is evaluated upon full expenditure of allocated funds, local workforce areas should review expenditures on work-based activities at least annually to ensure the requirement is met at the end of the grant period. Paid and unpaid work-based activities 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.

Program expenditures on work-based activities include wages as well as staffing costs for the development and management of work-based learning opportunities. Allowable expenditures beyond wages can include staff time spent identifying potential work-based opportunities, staff time working with employers to develop the work-based learning activity, staff time spent working with employers to ensure a successful work-based learning experience, staff time spent evaluating the work-based activity, participant work-based activity orientation sessions, classroom training or the required academic education component directly related to the work-based activity, and orientations for employers.

III. Service Requirements

Program Elements

WIOA requires fourteen program elements, which include the original ten (consolidated to nine as summer employment opportunities is now a sub-element under paid and unpaid work-based activities) and five new program elements. The full list consists of the following, with the five new youth program elements identified in bold.

1. 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 (including a recognized certificate of attendance or similar document for individuals with disabilities) or for a recognized post-secondary credential;

2. Alternative secondary school services, or dropout recovery services, as appropriate;
3. Paid and unpaid work experiences that have academic and occupational education as a component of the work experience, which may include the following types of work experiences:
 - 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;
4. Occupational skill training, which includes priority consideration for training programs that lead to recognized post-secondary credentials that align with demand industry sectors or occupations in the local area involved, if the Local Board determines that the programs meet the quality criteria described in WIOA sec. 123;
5. **Education offered concurrently with and in the same context as workforce preparation activities and training for a specific occupation or occupational cluster.**
6. Leadership development opportunities, including community service and peer-centered activities encouraging responsibility and other positive social and civic behaviors;
7. Supportive services;
8. Adult mentoring for a duration of at least 12 months that may occur both during and after program participation;
9. Follow-up services for not less than 12 months after the completion of participation;
10. Comprehensive guidance and counseling, which may include drug and alcohol abuse counseling, as well as referrals to counseling, as appropriate to the needs of the individual youth;
11. **Financial literacy education;**
12. **Entrepreneurial skills training;**
13. **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**
14. **Activities that help youth prepare for and transition to post-secondary education and training.**

Action: Please ensure that all appropriate staff receive and understand this policy guidance.

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