

Minimum Participant Cost Rate (MPCR) Policy

Effective Date: 3.14.18

Revised Date: 9.12.18

Duration: 6.30.19

I. Purpose:

To implement, in accordance with State Workforce Development Board (SWDB) guidance, the Workforce Innovation and Opportunity Act (WIOA) Title I local area formula funds minimum participant cost rate for allowable WIOA funded services.

II. Background:

Pursuant to WIOA, Section 101(d)(4) the SWDB shall assist in the development and updating of comprehensive State performance accountability measures, including State adjusted levels of performance, to assess the effectiveness of the core programs in the State as required under section 116(b). Under this policy the SWDB establishes a minimum participant cost rate (MPCR) as an additional State identified performance accountability measure (WIOA, Section 116(b)(2)(B)). This policy is designed to set a benchmark for participant expenditures to more effectively focus Federal resources on serving more individuals which impacts performance and outcomes. This will place more of an emphasis on ensuring financial integrity of taxpayer dollars in partnership with our workforce system stakeholders.

III. Instructions:

Each local workforce development board shall ensure a minimum of 40 percent of their WIOA Title I formula allocations (**WIOA Section 128(a)(1), 128(b)(1), 133(a) and 133(b)(1)**) 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**. For all other types of allowable WIOA funded services not mentioned below, the local WDB or staff should request clarification from the TDLWD staff prior to incurring the cost to ensure the service is allowable and to determine if the costs can be included in the minimum expenditure calculation.

Qualifying Expenditures under this Policy:

As defined within this policy, certain WIOA funded services (**20 CFR § 681, TEGL 19-16 and 21-16**) will be considered as "qualifying" expenditures toward the minimum expenditure calculation. In all cases, qualifying expenditures are those that represent the cost of services as described below and do not include administrative, personnel staff or operating expenditures of the LWDB, LWDB staff, one-stop operators, and/or contracted service providers.

Youth Expenditures:

LWDBs shall **not** use 100% of youth contract expenditures in the calculation of the 40% MPCR. In order for an expenditure to be considered in the calculation of the MPCR, the service must be considered a direct participant benefit associated with a fundable service in Jobs4TN (See Attachment 2). In order to determine if the cost of an activity should be considered a direct Youth participant expense (i.e., fundable activity) that will count towards the LWDA's 40% MPCR, please consider the factors below:

1. If the activity is listed on Attachment 2 of this guidance, the activity qualifies as a direct participant cost to be included in the MPCR calculation.

2. If the activity is not listed, conduct the analysis below:
 - a. In order to receive this service/activity, would the participant have to incur an out of pocket personal expense? If the answer is yes, count the activity as a direct participant expense. (Ex. There are no free or available financial literacy classes offered in the community, if not for the youth program offering the class, the individual would have to incur expenses to participate in a class)

Base Year:

The Base Year is considered to be the first year this policy will be enforced. Program Year 2017-18 (July 1, 2017 through June 30, 2018) was the Base Year for the Minimum Participant Cost Rate (MPCR) policy. MPCR is calculated by dividing the Total Qualifying Expenditures Incurred by the Total Cumulative Expenditures-Program Only (as reported on the Monthly Expenditure Report). Each quarter, calculate and report the MPCR to TDLWD utilizing the attached MPCR Calculation Template (Attachment 1) This report is to be attached to the Status Report submitted via Grants4TN for the respective quarter end month.

Procedures:

The following provisions address procedures and continuous improvement steps to assist STLWDA in meeting and/or exceeding the MPCR by the end of the Base Program Year 2017 (June 2018):

1. Board Staff, in conjunction with the quarterly reporting required of the Fiscal Agent to TDLWD, will report to the current quarterly MPCR to the LWDB utilizing the provided MPCR Calculation Template. This information will be provided to the LWDB during quarterly board meetings.
2. In the event the LWDA falls below the 40% MPCR for two consecutive quarters, the LWDB Staff and Fiscal Agent will request an action plan from the Career Service Providers, under the direction of the One Stop Operators, for increasing the MPCR by the next quarterly meeting. The One Stop Operators will compile one detailed and concise report within one week of the conclusion of the board meeting and submit to the Workforce Development Director for review. The report will be submitted to the Operations Committee for monitoring and continuous improvement. The One-Stop Operator will be required to submit bi-weekly progress reports until the deficiency is corrected. At a minimum the plan will include:
 - a) Action steps to meet the minimum required rate;
 - b) Input from AJC Team Leads on how each will provide input in the process to increase expenditures for the local area;
 - c) Any measurable benchmarks or indicators the One Stop Operator has outlined; and
 - d) Other information the One Stop Operator may want to include in action plan that will be beneficial for state review and comment.
3. Beginning the Base Year (2017-2018), the 40% expenditure rate will be reviewed quarterly by the SWDB. In the event STLWDA is performing below 40% a brief narrative will be submitted with the quarterly report explaining why the expenditure rate was not attained. In the event STLWDA is performing below 40% for three consecutive quarters a local board approved Corrective Action Plan providing a detailed analysis of the inability to attain a minimum 40% training expenditure rate will be submitted to TDLWD. This Corrective Action must include at a minimum:
 - a) Local Board approved action steps to meet the minimum required rate;

- b) Timeline for meeting the 40% minimum required rate;
- c) Any measurable benchmarks or indicators the plan will ensure the LWDA is on track to meet the expected outcome; and
- d) Acknowledgement by the LWDB that the area is subject to remedies for non-compliance as outlined in 2CFR 200.207 and 200.338 until the MPCR is attained.
- e) Other information the LWDB may want to include in the Corrective Action Plan that will be beneficial for state review and comment.

Continuous Improvement:

1. STLWDA is currently meeting the 40% MPCR and will continue to maintain and/or improve the current rate of participant expenditures in order to meet a State proposed regional MPCR of 50% or greater. It is intended that STLWDA will meet the regional 50% MPCR no later than the end of Program Year 2018 (June 2019).
2. The 50% standard will be reviewed and reassessed by TDLWD to determine if it continues to be an appropriate standard after reviewing the results from all LWDA's/regions for the Program Year 2018-19. The state will also continue to evaluate the standard to ensure maximum benefit for the participant.

Reporting and Monitoring:

WIOA requires that LWDBs track training-related expenditures (**WIOA sec. 116(d)(2)(D)**) and (**WIOA sec. 116(d)(3)(A)**). A review of the requirement to expend 40% of the Workforce Innovation and Opportunity Act (WIOA) funding that is within their direct board control on training as described in this policy will be incorporated into the Monitoring Guide each Program Year. For the purposes of this policy, the STLWDB will report prior Program Year training expenditure outcomes during Program Accountability Review (PAR) monitoring. For example, Program Year 2017 annualized expenses will be monitored in Program Year 2018 to ensure compliance.

AUTHORIZED BY:



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9/12/18

 Date

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9-12-18

 Date

Minimum Participant Cost Rate Policy; Effective Date 3.14.2018, Revision Date 9.12.2018