

Upper Cumberland
Local Workforce Development Board
POLICIES AND PROCEDURES

Title: MINIMUM PARTICIPANT COST RATE (MPCR) POLICY
Date of Adoption: 9-25-18

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 of the Upper Cumberland Local Workforce Development Board (UCLWDB) minimum participant cost rate for allowable WIOA funded services. The UCLWDB 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 emphasizes financial integrity of taxpayer dollars in partnership with our workforce system stakeholders.

POLICY: The Upper Cumberland Local Workforce Development Board shall ensure the state required minimum of their WIOA Title I formula allocations **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**.

INSTRUCTIONS:

Qualifying Expenditures

Under this Policy certain WIOA funded services (**20 CFR 681, TEGL 19-16 and 21-16**) are 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 UCLWDB, UCLWDB staff, one-stop operators, and/or contracted service providers.

A. Youth Services

1. Tutoring, study skills training, instruction, and dropout prevention services (**20 CFR 681.460**)

2. Alternative secondary school services or dropout recovery services **(20 CFR 681.460)**
3. Paid and unpaid work experience **(20 CFR 5 681.600)**
4. Occupational skills training **(20 CFR 681.540)**
5. Education offered concurrently with workforce preparation and training for a specific occupation **(20 CFR 681.630)**
6. Leadership development opportunities **(20 CFR 5 681.520)**
7. Supportive services **(20 CFR 681.570)**
8. Adult mentoring **(20 CFR 681.490)**
9. Follow-up services **(20 CFR 5 681.580)**
10. Comprehensive guidance and counseling **(20 CFR 681.510)**
11. Financial literacy education **(20 CFR 681.500)**
12. Entrepreneurial skills training **(20 CFR 681.560)**
13. Services that provide labor market information **(20 CFR 681.460 (a)(13))**
14. Postsecondary preparation and transition activities **(20 CFR 681.460)(a)(14)**

The UCLWDB will not use 100% of their youth contract expenditures in the calculation of the minimum participant cost rate. 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**).

Test to Determine a Direct Youth Participant Expense

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 UCLWDB's MPCR, the UCLWDB will consider the factors below:

1. If the activity is listed on Attachment 2 of this policy, the activity qualifies as a direct participant cost to be included in the MPCR calculation.
2. If the activity is not listed, the UCLWDB will conduct the analysis below:

“But for” the WIOA Youth Program, 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, “but for” the youth program offering the class, the individual would have to incur expenses to participate in a class)

B. Adult and Dislocated Worker Services

1. 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.
2. Training Services **(20 CFR S 680.200 through .230 and 20 CFR S 680.300 through 350)**.
Types of training services that may be provided include:
 - a. Occupational skills training, including training for nontraditional employment;

- b. On-the-job training;
- c. Incumbent worker training;
- d. Programs that combine workplace training with related instruction, which may include cooperative education programs;
- e. Training programs operated by the private sector;
- f. Skill upgrading and retraining;
- g. Entrepreneurial training;
- h. Job readiness training provided in combination with the training services described in any of clauses (a) through (g) or transitional jobs;
- i. 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
- j. Customized training conducted with a commitment by an employer or group of employers to employ an individual upon successful completion of the training.

3. Supportive Services (**20 CFR s 680.900**)

Calculations: 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 the UCLWDB will calculate and report the MPCR to TDLWD utilizing the attached MPCR Calculation Template. This report is to be attached to the Status Report submitted for the respective quarter end month.

Required Action:

1. UCLWDB will calculate and report the MPCR for each Program Year to TDLWD utilizing the MPCR Calculation Template. This calculation represents the initial starting point.
2. If the UCLWDB falls below the State determined MPCR, the UCLWDB will address the issue and report a plan that identifies the measures to be taken to reach the MPCR by the end of the Program Year.
3. The UCLWDB will review quarterly the MPCR to ensure it is remaining at or above the goal. A corrective action plan will be submitted to the State Workforce Board if the UCLWDB falls below its quarterly goal.
4. The State required expenditure rate will be reviewed quarterly by the State Workforce Board. To provide for continuous improvement, if the UCLWDB falls below the required rate the UCLWDB will submit a narrative with the quarterly report explaining why the expenditure rate was not attained. If the UCLWDB falls below the required rate for three consecutive quarters it must submit a local board approved Corrective Action Plan providing a detailed analysis of the inability to attain a minimum the required training expenditure rate. This Corrective Action must include at a minimum:

- a. UCLWDB approved action steps to meet the minimum required rate;
- b. Timeline for meeting the minimum required rate;
- c. Any measurable benchmarks or indicators the plan will use to ensure the UCLWDB is remaining on track to meet the expected outcome; and
- d. Acknowledgement by the UCLWDB that the area is subject to remedies for non-compliance as outline in **2CFR 200.207** and **200.338** until the MPCR is attained.
- e. Other information the UCLWDB feels will be beneficial for state review.

Monitoring: The UCLWDB must track training-related expenditures. The requirement to expend the required percentage rate of WIOA funding that is in direct Board control on training is part of the UCLWDB routine monitoring schedule. The service provider should keep detailed monthly reports tracking such expenditures and will make available to the Board /Board staff upon request. These reports will be regularly monitored by Board staff to ensure the UCLWDB is on track to meet or exceed the MPCR goals for the program year.

Continuous Improvement: As the UCLWDB meets or exceeds the MPCR benchmark, it will constantly strive to maintain and improve their current rate of expenditures to meet a State proposed regional MPCR.

Attachment(s): MPCR Calculation Template

List of Qualifying Expenditures (based on fundable activities in VOS)

Effective Date: October 1, 2018

Duration: June 30, 2019

For questions regarding this policy, contact Becky Hull, Executive Director, Upper Cumberland Local Workforce Development Board at bhull@ucworkforce.org



Board Chairperson, UCLWDB

ATTACHMENT 1: Minimum Participant Cost Rate Calculations by Program Year

MPCR Calculation Methodology:

- A. Total Qualifying Expenditures = sum of all allowable WIOA funded services by program as identified Section A and B of MPCR policy
- B. Total Cumulative Expenditure = Total Cumulative Program Expenditures (as reported on the relevant Monthly Expenditure Report)
- C. MPCR by Program = Total Qualifying Expenditures divided by Total Cumulative Expenditure

Notes:

- 1. Per State policy the MPCR calculation excludes obligations and the reserve for Local admin costs
- 2. MPCR is based on the combined formula fund totals not the individual program totals
- 3. the relevant data is the be keyed into the input cells (orange colored cells only)

MPCR Threshold	Funding Type	2015			2016			
		Quarter End Monthly Expenditure Report			Quarter End Monthly Expenditure Report			
		Total Qualifying Expenditures (A)	Total Cumulative Expenditures-Program (B)	MPCR by Program (C)	Total Qualifying Expenditures (A)	Total Cumulative Expenditures-Program (B)	MPCR by Program (C)	
40.0%								
WIOA Youth	PY	397,429.50	794,859.00	50.0%	346,580.40	866,451.00	40.0%	
WIOA Adult	PY	33,503.50	67,007.00	50.0%	58,350.00	145,875.00	40.0%	
	FY	367,378.50	734,757.00	50.0%	402,423.20	1,006,053.00	40.0%	
WIOA Dislocated Worker	PY	32,447.00	64,894.00	50.0%	32,510.00	81,275.00	40.0%	
	FY	205,245.50	410,491.00	50.0%	146,581.20	366,453.00	40.0%	
Grand Total		1,056,004.00	2,072,008.00	50.0%	985,442.80	2,466,107.00	40.0%	

Was the MPCR Threshold Met?

YES

YES

Two Year Summary		
Total Qualifying Expenditures	Expenditures (Program Only)	Combined MPCR
2,022,446.80	4,538,115.00	44.6%

ATTACHMENT 2: List of Qualifying Expenditures (based on fundable activities in VOS)

Note: as indicated in policy (Section 1: Guidance), the local WDB or staff should request clarification from the TDLD 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.

VOS SERVICE CODE	DESCRIPTION	State Policy
180	Support Service - Child/Dependent Care	Section II.B.3
181	Supportive Service - Transportation Assistance	Section II.B.3
182	Supportive Service - Medical	Section II.B.3
184	Supportive Service - Temporary Shelter	Section II.B.3
185	Support Service -Other	Section II.B.3
186	Support Service - Seminar/Workshop Allowance	Section II.B.3
187	Support Service - Job Search Allowance	Section II.B.3
216	Out-of-area job search asst.	Section II.B.1
217	Supportive Service - Relocation assistance	Section II.B.3
219	Work Experience	Section II.B.1
223	Financial Literacy Services	Section II.B.1
300	Occupational Skills Training - Approved Provider List (ITA)	Section II.B.2.a
301	On-The-Job Training	Section II.B.2.b
302	Entrepreneurial Training	Section II.B.2.g
303	Distance Learning	Section II.B.2.a and II.B.2.e
304	Customized Training	Section II.B.2.j
320	Private Sector Training	Section II.B.2.e
323	Workplace Training & Cooperative Education	Section II.B.2.d
324	Adult Educ w/ Occ. Skills Training -Approved Provider List (ITA)	Section II.B.2.i
325	Employed Worker Skills Upgrading/Retraining	Section II.B.2.f
326	Support Service - Needs Related Payments	Section II.B.3
327	Support Service - Training Allowance	Section II.B.3
400	Youth-Summer Employment	Section II.A.3
406	Youth-Tutoring, study skills training & instruction	Section II.A.1
410	Youth-Leadership Development Services	Section II.A.6
415	Youth-Enrolled in Alternative Secondary Education	Section II.A.14
416	Youth-Occupational Skills Training - Approved Provider List	Section II.A.4
419	Youth-Support Services - Stipends	Section II.A.7
425	Youth-Work Experience - Paid	Section II.A.3
426	Work Experience - Un-Paid	Section II.A.3
427	Youth-Internship - Paid	Section II.A.3
428	Youth-On-the-Job Training	Section II.A.3
430	Youth-Occupational Skills Training - Non-Approved Providers	Section II.A.4
431	Youth-Financial Literacy	Section II.A.11
432	Youth-Education Offered Concurrently w/Workforce Prep	Section II.A.5
433	Youth-Entrepreneurial Training	Section II.A.12
434	Youth-Pre Apprenticeship Activities	Section II.A.3
480	Youth-Support Service - Child/Dependent Care	Section II.A.7
481	Youth-Support Service - Transportation Assistance	Section II.A.7
482	Youth-Support Service - Medical	Section II.A.7
483	Youth-Support Service - Temporary Shelter	Section II.A.7
484	Youth-Support Service - Incentives / Bonuses	Section II.A.7
485	Youth-Support Service -Other	Section II.A.7
F09	Tutoring	Section II.A.9
F10	Leadership Development	Section II.A.9
F12	SS-Transportation	Section II.A.9
F13	SS- Purchase work related uniforms/attire	Section II.A.9
F14	SS-Purchase work related tools	Section II.A.9
F15	SS-Housing Assistance	Section II.A.9
F16	SS-Utilities	Section II.A.9
F17	SS-Dependent Care	Section II.A.9
F18	SS-Medical	Section II.A.9
F19	SS-Incentives/Bonus	Section II.A.9
F21	Youth Post Exit Education/Trng Pgm Leading to Postsec Cred	Section II.A.9
F22	Youth Financial Literacy Services- Follow up	Section II.A.9