

DEPARTMENT OF WORKFORCE DEVELOPMENT
DIVISION OF EMPLOYMENT AND TRAINING
ADMINISTRATOR'S MEMO SERIES

ACTION
 NOTICE 16-07

ISSUE DATE: 07/21/2016
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*PROGRAM CATEGORIES:

AS FM LM TC
 CR IT ML TR
 FL JC TA WIA
 WIOA YA

To: Waukesha-Ozaukee-Washington WDB, Fox Valley WDB and Western Wisconsin WDB Directors and Staff
Adult and Dislocated Worker Program Service Providers

From: Scott Jansen *Scott Jansen 7-22-2016*
Division Administrator

Subject: Pilot Program - Economic Self-Sufficiency for the Adult & Dislocated Worker Programs

Purpose:

To define "economic self-sufficiency" (ESS), explain how the definition should be applied within the context of the Workforce Innovation and Opportunity Act (WIOA) Adult and Dislocated Worker programs, and provide instruction for use of the State's ESS calculator.

Legislative/Regulatory References:

- WIOA Sections 134(a)(3)(A)(xii) and 134(d)(1)(A)(x)
- WIOA Proposed Rules, Sections 680.140(b)(6), 680.210(a) and 682.210(p)
- Training and Employment Guidance Letter (TEGL) No. 03-15: Guidance on Services Provided through the Adult and Dislocated Worker Program under the WIOA and Wagner-Peyser, as Amended by WIOA, and Guidance for the Transition to WIOA Services
- 81 Federal Register 16217

*PROGRAM CATEGORIES:

AS--Apprenticeship Standards
CR--Civil Rights
FL--Foreign Labor Certification

FM--Financial Management Requirements
IT--IT Systems
JC--Job Center

LM--Labor Market Information
ML--Migrant Labor
TA--Trade Assistance
TC--Tax Credit Programs
TR--Transportation

WIA--Workforce Investment Act
WIOA--Workforce Innovation and Opportunity Act
YA--Youth Apprenticeship

Background:

WIOA seeks to improve the workforce system through six main purposes, one of which is to provide workforce development activities that "increase the employment, retention, and earnings of participants, and increase attainment of post-secondary credential attainment by participants" in order to "improve the quality of the workforce, reduce welfare dependency, **increase economic self-sufficiency**, meet the skill requirements of employers, and enhance the productivity and competitiveness of the Nation." (emphasis added).

WIOA uses the term "economic self-sufficiency" in a variety of contexts, including:

- determining eligibility for training services, and
- articulating the desired outcome for all exited program participants.

It is the U.S. Department of Labor's expectation that a process is in place for the local areas to determine self-sufficiency standards for participants in the Adult and Dislocated Worker programs.¹ Under WIOA, the State has the discretion to adopt a self-sufficiency standard as part of the implementation of employment and training activities. The standard may specify the income needs of families based on family size, ages of children in the family, and the geographic location.²

Policy:

Definition of "ESS"

The State defines its ESS standard as the minimum level of income an individual must earn in order to meet his/her most basic expenses without public or private assistance. The level must always be equal to or greater than 100 percent of the Lower Living Standard Income Level (LLSIL) based on the size of the individual's family unit.³

The following is a list that identifies some sources of income for the purposes of calculating ESS:

- compensation for services, including fees, commissions, fringe benefits, and similar items;
- income from self-employment;
- interest;
- rental income;
- royalties;
- dividends;
- alimony and/or spousal maintenance;
- annuities;
- income from life insurance and/or endowment contracts;
- retirement income, including pensions;

Income from interim employment is to be treated as any other form of income.

¹ TEGL 03-15, p. 6

² WIOA Section 134 (d)(1)(A)(x)

³ 81 FR 16222

An ESS assessment does not require documentation of individual or household income. Attestation by the participant is an acceptable source of the information. Additionally, when calculating the income of a household, income earned by individuals below the age of 18 years is not included.

The State does not define "household" or "family" for purposes of assessing ESS. The State encourages the Workforce Development Boards (WDBs) to determine appropriate members of a household on a case by case basis, to address a variety of living arrangements.

Description of the ESS Standard

The State's ESS standard uses the framework developed by the University of Washington, using a number of datasets that address the costs a typical household faces, including costs for housing, transportation, food, medical care, childcare, and taxes. The ESS standard accounts for the composition of the household, based on number of members within the household and their ages, as well geographic location.

The State is responsible for ensuring that the framework is updated periodically to effectively represent changes in economic conditions.

Calculating ESS

The State's ESS Calculator is used to establish an individual's level of ESS based on the number of members in his/her household, the members' ages, the county of residence, and the total household income.

The ESS calculator can be accessed through a link in Automated System Support for Employment and Training (ASSET) "Manage Programs," "Adult" or "Dislocated Worker" tabs.

Using ESS in the Adult and Dislocated Worker Programs

There are three uses of the ESS standard in the WIOA Adult and Dislocated Worker program:

- 1) Determining if an individual is already employed in an occupation that meets the State's definition of ESS.

Allowable exception: WDBs may provide individualized career and training services to individuals who, at the time of program registration, are already employed in an occupation that meets or exceeds ESS if the individual is unlikely to retain the employment. The reason(s) for the individual's inability to retain the employment is to be documented in the ESS Calculator and ASSET case notes.

- 2) Developing an Individual Employment Plan (IEP) by:
 - a. identifying which occupation(s) will lead a participant to ESS; and
 - b. identifying training options that will help a participant obtain or retain employment which leads to ESS⁴.

⁴ WIOA Section. 134(c)(3)(A)(i)(I)(aa) and TEGl 03-15, p. 6

Allowable exception: It is the goal that a training service will result in employment in an occupation that will make the participant economically self-sufficient. The WDBs maintain the flexibility to place participants in training that may not immediately lead to economically self-sufficient employment provided that the WDB's local plan addresses the types of situations that this would be allowed. If a WDB chooses to exercise this flexibility for individual participants, justification must be documented in ASSET case notes.

- 3) Determining whether a participant has secured employment leading to ESS and should therefore be exited from the program.

Allowable exception: While it is a goal of this policy that participants secure employment in occupations that meet ESS, the WDB may choose to exit a participant who secures employment in an occupation that does not immediately meet ESS, as long as:

- a. the occupation is part of a career pathway that will eventually lead to ESS;
- b. the occupation is in demand in the local area as demonstrated by labor market information data; or
- c. the participant has demonstrated an interest in retaining the employment even though the occupation does not meet ESS.

If the WDB chooses to utilize any of the "allowable exceptions" described above, the reasons for its use must be documented in the participants ASSET case notes.

Identifying the Threshold for ESS

In order to be considered economically self-sufficient:

All Adult and Dislocated Worker program participants must meet or exceed the economic self-sufficiency calculation for a single adult household for their county of residence.⁵

All Adult and Dislocated Workers who are a part of a household with more than one member must **also** meet one of the following:

1. be employed in an occupation where the experienced income meets or exceeds ESS for their household composition based on their county of residence;⁶ or
2. have current household income that meets or exceeds ESS for their household composition based on their county of residence.

In addition, **only** Dislocated Worker program participants must also meet one of the following:

1. have individual income that meets or exceeds 80 percent of their dislocation wage;
2. have individual income that meets or exceeds the 75th percentile of wages for all occupations in their county of residence;⁷ or
3. be employed in an occupation where the experienced income for their county of residence meets or exceeds their dislocation wage.

⁵ As stated in the Self-Sufficiency Framework provided by the University of Washington.

⁶ Experienced Income as defined in Wisconsin's Occupational Employment and Wage Estimates at: http://worknet.wisconsin.gov/worknet_info/downloads/EDS/state_counties.xlsx

⁷ 75th Percentile as defined in Wisconsin Occupational Employment and Wage Estimates at: http://worknet.wisconsin.gov/worknet_info/downloads/EDS/state_counties.xlsx

ASSET Reporting:

The following fields must to be entered in the ASSET Manage Programs, Adult or Dislocated Worker tabs from the output of the ESS Calculator:

- "Current Monthly Individual Income"
- "Current Monthly Household Income"
- "Family Composition"

In the "Manage Employment" tab the case manager will need to document:

- 1) The participants current occupation, if applicable;
- 2) The participant's qualifying occupation of dislocation, if applicable and different from the current occupation.

For the current occupation, the case manager will need to record the "ONet Code." For the dislocation occupation, the case manager will need to record the "Pay." The data for both of these fields will be outputted by the ESS calculator.

Action Required:

The pilot program for this policy will be effective **August 1, 2016**, and will last not more than four months. The WDBs that have been selected for the pilot program must implement this policy, including use of the ESS calculator, until Statewide implementation which is anticipated for January 1, 2017. The WDBs participating in the pilot must share this policy with appropriate staff and service providers.

During the pilot program, the WDBs are to contact Sharan Bhaskar, Adult & Dislocated Worker Program Coordinator, in a timely manner with any technical issues with the ESS calculator or questions/concerns with the policy. The WDBs must also send the Department of Workforce Development-Division of Employment and Training (DWD-DET) a monthly email with any feedback from case managers or WDB staff. The table, below, provides the feedback deadlines:

Review Period	Review Timeframe	Deadline
1	August	August 31, 2016
2	September	September 30, 2016
3	October	October 31, 2016
4	November	November 30, 2016

The feedback should identify any issues in the application of the self-sufficiency policy and/or suggestions to help improve the policy or ESS calculator. Based on feedback, DWD-DET may schedule one or more conference calls with WDB and case management staff.

Questions and/or Technical Assistance and Training:

Please contact Sharan Bhaskar, Sharan.Bhaskar@dwd.wisconsin.gov, and include the Local Program Liaison assigned to your area.