



Northern Middle Tennessee Workforce Board Inc.

Effective Date: 10.01.2018
Duration: Indefinite

Minimum Participant Cost Rate Policy

Purpose

To implement the Workforce Innovation and Opportunity Act (WIOA) Title I local area formula funds minimum participant cost rate for allowable WIOA funded services. The Northern Middle Tennessee Workforce Board (NMTWB) is required to ensure a minimum of 40 percent of their WIOA Title I formula allocations are expended on allowable participant cost on a program year basis. This policy will provide a list of qualifying expenditures

Background

Section 128(b)(4) and 133(b) of the Workforce Innovation and Opportunity Act identifies the allocation process for Title I local area formula funds. In addition, Section 116(b)(2)(B) allows provision for the State Workforce Development Board to identify additional performance accountability measures. The Tennessee Department of Labor and Workforce Development issued Workforce Services Policy – Minimum Participant Cost Rate (MPCR) to define a Title I local area formula fund minimum participant cost rate for allowable WIOA funded services.

Policy & Instructions

As defined within this policy, certain WIOA funded services⁵ 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 costs direct to participants such as administrative, personnel staff or operating expenditures of the Local Workforce Development Board (LWDB), LWDB staff, one-stop operators, and/or contracted service providers.

A. Qualifying Youth Services

- Tutoring, study skills training, instruction, and dropout prevention services
- Alternative secondary school services or dropout recovery services
- Paid and unpaid work experience
- Occupational skills training
- Education offered concurrently with workforce preparation and training for a specific occupation
- Leadership development opportunities
- Supportive services
- Adult mentoring
- Follow-up services
- Comprehensive guidance and counseling
- Financial literacy education
- Entrepreneurial skills training
- Services that provide labor market information
- Postsecondary preparation and transition activities

100% of the youth contract expenditures may not be used in the calculation of the 40% 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 (Attachment 2).

Test to Determine a Direct Youth Participant Expense

In order to determine if the cost of an activity should be considered a direct youth participant expense (e.g. fundable activity) that will count towards the 50% MPCR, please consider the factors below:

- 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.
- If the activity is not listed, 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. (i.e. 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).

B. Qualifying Adult and Dislocated Worker Services

- Career Services - Defined as costs directly benefiting participants (i.e. assessments) and does not include salaries of staff providing the assessments.
- Training Services -Types of training services that may be provided include:
 - Occupational skills training, including training for nontraditional employment;
 - On-the-job training;
 - Programs that combine workplace training with related instruction, which may include cooperative education programs;
 - Training programs operated by the private sector;
 - Skill upgrading and retraining; o Entrepreneurial training;
 - Job readiness training provided in combination with the training services described in any of the clauses above or transitional jobs;
 - 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 above; and
 - Customized training conducted with a commitment by an employer or group of employers to employ an individual upon successful completion of the training.
- Supportive Services

The 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 NMTWB staff will calculate the MPCR utilizing the attached MPCR Calculation Template (Attachment 1). This report will be attached to the Status Report submitted via Grants4TN for the respective quarter end month.

C. Oversight, Actions for Deficiencies, Continuous Improvement

The following provisions address continuous improvement steps to assist in meeting and/or exceeding the MPCR by the end of the program year.

1. Oversight will be conducted monthly by the WIOA Fiscal Director and other NMTWB staff based on the method prescribed by the Tennessee Department of Labor and Workforce Development (TDLWD). Oversight may also include:
 - Review of service strategies for participants
 - Review of data input to ensure activities are properly captured

2. If performing below the 40% MPCR a brief narrative explaining why the expenditure rate was not attained will be submitted with the quarterly report. The corrective action will include at a minimum the following:
- The NMTWB approved action steps to meet the minimum required rate;
 - The timeline for meeting the 40% minimum required rate;
 - Any measurable benchmarks or indicators demonstrating the NMTWB is on track to meet the expected outcome; and
 - Acknowledgement by the NMTWB that the area is subject to remedies for non-compliance as outline in 2 CFR 200.207, 200.338, and Workforce Services Policy – Sanctions for Failure to Meet Federal and State Standards until the MPCR is attained.
 - Other information that will be beneficial for state review and comment.

References

2 CFR Part 200; 20 CFR 680.200, 681.460; TEGL 19-16; TEGL 21-16; WIOA Section 101 (d)(4); WIOA Section 116(b), Section 116(d); WIOA Section 128(a)(1), 128(b)(1); WIOA Section 129; WIOA Section 133(a), 133(b)(1); WIOA Section 134; Workforce Services Policy – Minimum Participant Cost Rate (MPCR)

Authorized by:

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ATTACHMENT 1: Minimum Participant Cost Rate Calculations by Program Year

MPCR Calculation Methodology:

- A. Total Qualifying Expenditures = sum of all allowable WIOA program funded services (Excluding Incumbent Worker Expenditures)
- B. Total Cumulative Expenditure = Total Cumulative Program Expenditures (as reported on the relevant Monthly Expenditure Report, Excluding Incumbent Worker Expenditures)
- C. MPCR by Program = Total Qualifying Expenditures divided by Total Program Expenditure
- D. Other: Lists qualifying expenditures from other discretionary funding sources

Notes:

- 1. Per State policy the MPCR calculation excludes obligations and the reserve for Local admin costs
- 2. MPCR is based on the formula and discretionary fund totals by the individual program totals
- 3. 40% MPCR calculated on the local area expenditures only
- 4. 50% Regional MPCR is calculated by the sum of all respective regions Qualifying Expenditures divided by the sum of all Program Expenditures (All Excluding Incumbent Worker Expenditures)

MPCR Threshold							
Program	40%			50%			
	LOCAL			REGIONAL			
	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)	
WIOA Youth	40,000.00	100,000.00	40.0%	50,000.00	100,000.00	50.0%	
WIOA Adult	40,000.00	100,000.00	40.0%	50,000.00	100,000.00	50.0%	
WIOA Dislocated Worker	40,000.00	100,000.00	40.0%	50,000.00	100,000.00	50.0%	
WIOA SWA	40,000.00	100,000.00	40.0%	50,000.00	100,000.00	50.0%	
WIOA RSP	40,000.00	100,000.00	40.0%	50,000.00	100,000.00	50.0%	
Other	40,000.00	100,000.00	40.0%	50,000.00	100,000.00	50.0%	
Grand Total	240,000.00	600,000.00	40.0%	300,000.00	600,000.00	50.0%	
Was the MPCR Threshold Met?			Yes	Was the MPCR Threshold Met?			Yes

Code	Jobs4IN Description	Grants4TN Description
180	SS - Child Care	Childcare
181	SS - Transportation	SS - Transportation
182	SS - Medical	Other Supportive Services
184	SS - Temporary Shelter	Other Supportive Services
185	SS - Other	Other Supportive Services
186	SS - Seminar/Workshop Allowance	Other Supportive Services
187	SS -Job Search Allowance	Other Supportive Services
216	Out-of-area job search	Other Supportive Services
217	SS - Relocation Assistance	Other Supportive Services
219	Work Experience	WE - Participant
223	Financial Literacy Services	Instructional Training
300	ITA	Instructional Training
301	OJT	OJT
302	Entrepreneurial Training	Instructional Training
303	Distance Learning	Instructional Training
304	Customized Training	Instructional Training
314	Enrolled in Apprenticeship Training	Instructional Training
320	Private Sector Training	Instructional Training
323	Workplace Training & Cooperative Ed	Instructional Training
324	Adult Ed ITA	Instructional Training
325	Employed Worker Sills Upgrade	Incumbent Worker
326	SS - Needs Related Payments	Other Supportive Services
327	SS - Training Allowance	Other Supportive Services
400	Youth - Summer Employment	WE - Participant
406	Youth - Tutoring, study skills T&I	Instructional Training
410	Youth - Leadership Development	Instructional Training
415	Youth - Enrolled in Alternative Second Ed	Instructional Training
416	Youth - Occupational Skills - Approved Provider	Instructional Training
419	Youth - SS -Stipends	WE - Participant
425	YOUTH - Work Experience - Paid	WE - Participant
426	Youth - Work Experience - unpaid	WE - Participant
427	Youth - Internship - Paid	Internship
428	Youth - OJT	OJT
430	Youth - Occ Skills Training - non approved provider	Instructional Training
431	Youth - Financial Literacy	Instructional Training
432	Youth - Ed offered concurrent w/ Workforce prep	Instructional Training
433	Youth - Entrepreneurial Training	Instructional Training
434	Youth - Pre-Apprenticeship Activities	Instructional Training
480	Youth -SS - Child Care	Childcare
481	Youth - SS - Transportation	SS - Transportation
482	Youth - SS - Medical	Other Supportive Services
483	Youth - SS - Temporary Shelter	Other Supportive Services
484	Youth - SS - Incentives/Bonuses	Youth Incentives
485	Youth - SS - Other	Other Supportive Services
F09	Tutoring	Other Supportive Services
F10	Leadership Development	Other Supportive Services
F12	SS -Transportation	SS - Transportation
F13	SS - Purchase work related uniforms	Other Supportive Services
F14	SS - Purchase work related boots	Other Supportive Services
F15	SS - Housing Assistance	Other Supportive Services
F16	SS - Utilities	Other Supportive Services
F17	SS - Dependent Care	Childcare
F18	SS - Medical	Other Supportive Services
F19	SS - Incentives/Bonuses	Other Supportive Services
F21	Youth - Post exit ed/Trng Prgm leading to Postsec Cred	Other Supportive Services
F22	Youth Financial Literacy svcs follow up	Other Supportive Services