

## **Attachment I: Workforce Innovation and Opportunity Act (WIOA) Youth Program Suggestions Based on Common WIOA Youth Monitoring Findings**

ETA routinely conducts monitoring visits in order to assist states and local areas in providing high-quality services to youth. ETA compared findings from 24 WIOA youth monitoring visits conducted between 2016 and 2018 and identified common findings and areas of concern. In ETA’s review, themes emerged around common findings at the state and local levels. The most common monitoring findings relate to seven categories: eligibility, program design, OSY and work experience expenditures, service provision of the 14 program elements, performance management, monitoring, and policy development. The suggestions below provide technical assistance to states and local areas for addressing some of these common monitoring findings, thereby improving service delivery in order to help youth achieve their educational and employment-related goals.

### **1. Eligibility**

- i. “Requires Additional Assistance” Eligibility Definition** – The WIOA youth program focuses its resources on eligible in-school and out-of-school youth who have one of several different barriers to employment. One of the barriers is that an individual youth “requires additional assistance to enter (for OSY) or complete an educational program or to secure or hold employment.” The WIOA regulations at 20 CFR § 681.300 and 681.310(a) require that states or local areas must further define the meaning of the “requires additional assistance” barrier. In instances where the state does not define the “requires additional assistance” barrier, the local area must define it in its local plan. A number of monitoring visits found that neither states nor local areas further defined the “requires additional assistance” eligibility criteria and also did not include the definition in the state or local plan as required by 20 CFR § 681.310(a).

States or local areas must further define the “requires additional assistance” barrier and include the definition in the state or local plan. This further definition provides clarity to frontline staff around which youth fall under this category and ensures that youth who are in need of services due to additional barriers receive services. The following are examples of definitions of “requires additional assistance” that states or local areas can consider to further define the “requires additional assistance” eligibility criteria. This list provides several examples, not set requirements. State or local areas can select among these or other suitable criteria for use in their labor markets. The definition of the phrase “requires additional assistance” must, however, be an outcome of the analysis.

#### Educational Barriers

- In school (secondary or postsecondary) with a Grade Point Average of less than 2.0
- Has quit secondary or postsecondary program without attaining a recognized credential
- Has repeated at least one secondary grade level
- One or more years behind modal grade for one’s age group, with particular emphasis on those two or more years behind modal grade

- Below average academic test scores relative to students in his/her class with particular emphasis on those in the bottom 25 percent of the test score distribution
- Scored levels 1 or 2 on the state standardized assessment within the past 12 months.
- Placed on probation, suspended from school, or expelled from school one or more times during the past two years
- Documented behavioral problems at school
- Are deemed at risk of dropping out of school by a school official
- Have received court agency/referrals mandating school attendance
- For each year of secondary education, are at least two semester credits behind the rate required to graduate from high school

#### Employment Barriers

- Has never held a job
- Has been fired from a job within the 12 months prior to program application (18 -24 years of age)
- Has never held a full-time job for more than 13 consecutive weeks (18 -24 years of age)
- Has a family history of chronic unemployment, including long-term public assistance
- Has been unemployed six months out of the last two years
- Little or no successful work experience, a long and unsuccessful work search, or little to no exposure to successfully employed adults
- High school graduate who has not held a full-time regular job for more than three consecutive months

#### Living Arrangements

- Resides in a non-traditional household setting (i.e., single parent, lives with unofficial guardian, latchkey, grandparents, domestic partners, etc.)
- Lives with only one or neither of his/her natural parents
- Lives in public housing
- Lives in a federally-designated high poverty area such as a census tract

#### Medical/Social/Family Barriers

- Lacks parental support
- Has emotional, medical, physical, cognitive, or psychological impairment which creates a significant impediment to employment
- Has been referred to, or is being treated by, an agency for a substance abuse related problem
- Has experienced recent traumatic events, is a victim of abuse, or resides in an abusive environment as documented by a school official or professional
- Faces significant personal challenges including dysfunctional domestic situations, lack of supportive services, documented behavioral problems, and substance abuse by the youth or a family members

### Characteristics

- Children of incarcerated parents
- Emancipated youth
- Immigrant or refugee
- Migrant youth

- ii. **In-School Youth (ISY) Limitation** – 20 CFR § 681.310(b) states that in each local area, not more than five percent of the ISY newly enrolled in a given program year may be eligible based on the “requires additional assistance to complete an educational program or to secure or hold employment” criterion. Monitoring visits found that some states and local areas did not track the number of ISY that require such additional assistance, particularly when it was used for eligibility determinations, resulting in many states and local areas serving greater than five percent of ISY meeting eligibility based on the “requires additional assistance” barrier. In PY 2016, 20 states exceeded five percent of newly enrolled youth meeting eligibility based on the “requires additional assistance” criteria with a national average of 8.3 percent of all ISY meeting eligibility based on this criterion. In PY 2017, 15 states exceeded the ISY eligibility limitation with a national average of 6.8 percent. While the requirement is at the local level, state levels are a proxy for local compliance with this requirement and any state above five percent is an indication that at least one local area in the state may be above five percent.

In order to ensure compliance with the five percent ISY limitation and that ISY who are most in need are served in the WIOA youth program, local areas should focus on serving ISY who are eligible based on criteria other than the “requires additional assistance” criterion, such as homeless youth, foster youth, youth with a disability, and youth offenders.

In addition, it is critical for states to track local areas as well as for local areas to track the number of newly-enrolled ISY in a given program year that are determined eligible based on the “requires additional assistance” criterion. Small states and local areas should keep in mind that only one out of 20 ISY can be enrolled in a given program year based on the “requires additional assistance” criterion. States and local areas should also keep in mind that the limitation is based on new enrollees in a program year rather than all ISY served in a program year. ETA encourages states and local areas to use a simple tracking tool that tracks total ISY enrolled in a given program year and the number of ISY who meet eligibility based on the “requires additional assistance” criterion. Locals should ensure that they are always below the five percent threshold on the tracking tool throughout the program year.

## **2. Program Design**

**Individual Service Strategy (ISS)** – In order to be served in the WIOA Youth program, a youth must first be deemed eligible, receive an objective assessment and develop, in partnership between youth and staff, an Individual Service Strategy (ISS). An ISS is a living document that changes over time. It should be flexible, realistic, and broaden opportunities for participants. Ideally, the case manager reviews the ISS with a young person regularly, in

planned intervals, to record progress and outcomes, and note any changes in goals, plans, milestones achieved, and timetables.

Monitoring visits found that some local area ISSs had the same information across all participant case files. Information on an ISS should not be identical among participants; an ISS is an individualized roadmap matching the participant's unique needs and career and educational objectives.

- i. WIOA Section 129(c)(1)(B) and WIOA regulations at 20 CFR § 681.420(a)(2) require that all youth participants have an ISS that is updated as needed and is directly linked to one or more WIOA indicators of performance. The regulations also require that the ISS identifies career pathways that include education and employment goals, appropriate achievement objectives, and appropriate services for the participant, taking into account the objective assessment.

Additional monitoring findings identified the ISS not incorporating a career pathways strategy that justifies the services provided to the participant. Career pathways are a combination of rigorous and high-quality education, training, and other services that assist the participant in preparing for a career. For further information on the definition of a career pathway, see WIOA Section 3(7) along with the extensive resources on the Career Pathways Community of Practice at <https://careerpathways.workforcegps.org/>. To address this issue, the ISS should identify a career pathway based on the objective assessment that offers a clear sequence, or pathway, of education coursework or training credentials aligned with employer-validated work readiness standards and competencies.

There is no federal requirement to sign the ISS or have a parent signature for minors under age 18; however, the program should follow state and local policy if there is one related to signatures on the ISS. Nonetheless, case managers must ensure the ISS was developed in partnership with, and mutually agreed upon by, the participant.

While an ISS is mandatory, there is no mandated WIOA youth ISS template. ETA, however, created a sample ISS template to support WIOA youth program staff. Local WIOA youth programs should modify it to suit their needs. The WIOA youth program ISS template can be found at:

<https://youth.workforcegps.org/resources/2019/06/20/18/30/Youth-Individual-Service-Strategy-ISS>.

- ii. **Program Elements** – The WIOA regulations at 20 CFR § 681.460 requires that local WIOA youth programs make each of the 14 program elements available to youth participants. A number of monitoring visits found that local areas did not make all 14 WIOA youth program elements available, did not document program services received in case files, did not have local plans that described how each program element was made available, and did not properly categorize program services into the correct WIOA youth program element. The most common program elements not made available were mentoring, labor market information/career exploration, and follow-up services. The most

common program element incorrectly categorized was comprehensive guidance and counseling.

States and local areas must ensure that the plans describe how each of the 14 program elements are made available through specific service providers or partner programs as well as through leveraged resources. Clarity and consistency in providing the program elements remain an imperative.

States and local areas must also provide participants with access to each of the 14 program elements through WIOA youth funds or leveraged funds to ensure that the youth benefit from comprehensive and individualized services. These services, in turn, should be documented in the case files to successfully track progress toward the objectives in the youth's ISS.

In addition to ensuring all program elements are made available, local areas should categorize elements correctly and consistently in accordance with the statute's specifications. For example, one local area called the process of eligibility intake "youth assessment," and called ISS development "comprehensive guidance and counseling." These types of intake activities are not considered part of this element and must not be identified as such. Another local area categorized general case management such as conversations with participants as comprehensive guidance and counseling. As discussed in TEGL 21-16, case management is the act of connecting youth to appropriate services and is not a specific program element. General case management services should not be reported as one of the 14 youth program elements. A different local area categorized career counseling as comprehensive guidance and counseling. Comprehensive guidance and counseling, as discussed in 20 CFR § 681.510, is individualized counseling to participants including drug and alcohol abuse counseling, mental health counseling, and referral to partner programs as appropriate. Career counseling should be recorded under the program element for services that provide labor market information such as career awareness, career counseling, and career exploration.

- iii. Follow-up Services** – WIOA Section 129(c)(2)(I) and WIOA regulations at 20 CFR § 681.580(c) require that all youth participants must be offered an opportunity to receive follow-up services that align with their individual service strategies. Follow-up services must be provided to all participants for a minimum of 12 months unless the participant declines to receive follow-up services or the participant cannot be located or contacted. Monitoring reviews found that the level of follow-up services provided to youth program participants in many local areas could not be determined. Follow-up services were not clearly documented in some case files. One local area's follow-up procedure was inconsistent with the state plan. Another monitoring visit revealed that neither the state WIOA manual nor the local WIOA youth policy for provision of the 14 program elements included language that addresses how a youth may decline follow-up services.

States must ensure that local areas are accurately providing and capturing follow-up services as described in the Final Rule and ETA program guidance. States must also ensure that follow-up information is accurately captured in case files. The participant file

must indicate follow-up activity, as opposed to contact attempts after exit. Follow-up activities may include the five program elements allowed during follow-up (supportive services; mentoring; financial literacy; services that provide labor market information such as career awareness, career counseling, and career exploration; and preparation for postsecondary education and training) as well as other activities that ensure the youth is successful in employment and/or postsecondary education and training. Further, TEGL 21-16 explains that if at any point during the program or during the 12 months following exit the youth requests to opt out of follow-up services, they may do so. The request from a participant to opt out or discontinue follow-up services must be documented in the case file. ETA encourages states or, if no state policy exists, local areas to have clear policies on how youth decline follow-up services as well as how many attempts a case manager must make to contact a youth before determining that a youth cannot be located or contacted for provision of follow-up services. Having policies and proper documentation provides frontline staff with a clear understanding of what follow-up actions to take and allows youth to better understand what follow-up services are available to them upon exit.

- iv. Incentives, Wages, and Stipends** – 20 CFR § 681.640 and TEGL 21-16 indicate that incentive payments to youth participants are permitted as an allowed payment for recognition and achievement directly tied to work experience, education, and training. States or local areas must have written policies and procedures in place governing incentive and stipend payments. If the state does not have an incentive and stipend policy in place, the local area must have a policy governing the use of incentives and stipends.

The determination whether to pay a stipend or wage is left to the discretion of the local area. ETA's policy for WIOA youth participants encourages local workforce areas or employers of record to adhere to Internal Revenue Service (IRS) guidelines when compensating youth with wages or stipends for work experience. The IRS defines wages in 26 CFR § 3121(a) as all remuneration for employment unless specifically excepted under section 3121(a). An employee/employer relationship is the primary factor in determining whether to pay wages. In cases where work experience is not associated with an employer/employee relationship, such as in a classroom setting or virtual learning environment, a stipend may apply. To determine whether an individual is an employee or whether an employee's time spent in training or work experience is compensable, states and local areas should contact the Wage and Hour Division at <https://www.dol.gov/agencies/whd/>. Having clear, written policies and procedures in alignment with federal regulations allows frontline staff to understand when and how they might offer incentives or stipends in order to help youth achieve their goals.

Several monitoring visits found that states or local areas issued incentives without written policies or procedures in place or had policies that did not align with federal regulations. For example, incentives were provided for participation in program activities rather than for achievements. Another monitoring visit found a program classified stipends as incentives. WIOA youth programs must correctly classify the payments. Understanding the difference between an incentive and stipend and correctly classifying payments is critical since the misidentification of the payment will result in disallowed costs.

States and local areas have flexibility when determining local policies on stipends based upon local program design and participant needs. States and/or local areas must have a policy guiding the payment of classroom-based stipends if they are provided. Additionally, state and local policies and procedures for youth stipend payments need to align with Uniform Guidance at 2 CFR § 200, <https://www.govinfo.gov/app/details/CFR-2014-title2-voll/CFR-2014-title2-voll-part200>.

- v. **Exit Dates** – 20 CFR § 681.450 indicates that local youth programs must provide services to a participant for the amount of time necessary to ensure successful preparation to enter postsecondary education and/or unsubsidized employment. While there is no minimum or maximum time a youth can participate in the WIOA youth program, programs must link participation to the ISS and not the timing of youth service provider contracts or program years. ETA analyzed the most common exit dates in Program Year (PY) 2017 and 2018. The most common date WIOA youth participants exited in both program years was June 30, with 4,718 youth exiting on June 30, 2017, and 2,468 youth exiting on June 30, 2018. These numbers are far greater than any other day of the program year. This data potentially signals that in some states, participants are exited from the program arbitrarily at the end of the program year either for performance accountability purposes or youth service provider contract purposes. States and local areas are encouraged to examine their data and ensure that youth are not exited prior to completing necessary services. If youth are exited on June 30, and not ready for placement into employment or postsecondary education/training, local WIOA youth programs should stop such practices and ensure youth are served until they complete their planned services and are prepared to enter postsecondary education/training or unsubsidized employment. A list of states with high numbers of June 30 exits is available in Module 14 PIRL Data Elements-Data Collection and Submission at: [https://performancereporting.workforcegps.org/resources/2019/10/03/20/25/WIOA\\_2019\\_Performance\\_Accountability\\_Training](https://performancereporting.workforcegps.org/resources/2019/10/03/20/25/WIOA_2019_Performance_Accountability_Training). ETA will monitor state data related to exit dates and issue findings where it appears states are arbitrarily exiting youth for performance or contract reasons rather than based on the youth's goals identified in their ISSs.

### 3. Work Experience

20 CFR § 681.590 prioritizes work experience and requires that local youth programs expend not less than 20 percent of the funds allocated to them to provide youth with paid and unpaid work experiences. Monitoring reports indicated that a number of local areas are not spending the required minimum of 20 percent on work experience. Based on ETA 9130(B) expenditure data submitted through the quarter ending June 30, 2019, 12 states did not spend at least 20 percent of their PY 2016 funds on work experience and six states are not spending at least 20 percent of their PY 2017 funds on work experience. If a state is not spending at least 20 percent of their WIOA youth funds on work experience, then at least one local area in the state is not meeting the 20 percent minimum expenditure requirement. States and local areas must ensure that each local area spends at least 20 percent of local youth funds on work experience. Please see TEGl 21-16, section 7, program element three for the types of activities that count toward the work experience expenditure requirement.

In addition, monitoring found that many states and local areas did not have a system in place to track local area progress against the 20 percent minimum work experience expenditure requirement or did not track work experience expenditures at all. States and local areas must have internal controls in place to ensure that staff and participant time spent on other allowable work experience activities are adequately documented and accounted for in order to permit the preparation of reliable and accurate financial statements and federal reports (2 CFR § 200.62, 200.302, 200.403). A link to various state tools collected by ETA for tracking work experience expenditures is in the resource section of the Training and Employment Notice (TEN).

As discussed in 20 CFR § 681.600(c), the types of work experiences include the following categories: 1) summer employment opportunities and other employment opportunities available throughout the school year; 2) pre-apprenticeship programs; 3) internships and job shadowing; and 4) on-the-job training. States and local areas should keep in mind that this list of types of work experiences is not all inclusive of the types of activities that could count for a work experience. As long as the activity meets the definition of work experience in 20 CFR § 681.600(a) that work experiences are a planned, structured learning experience that takes place in a workplace for a limited period of time, then the activity may be considered a work experience. For example, a Registered Apprenticeship may count as a type of work experience because it meets the definition of a work experience. Registered Apprenticeship is also considered a training activity so local youth programs should record the Registered Apprenticeship both as a work experience and a training since it has both components. Registered Apprenticeship may also qualify as a successful outcome in the WIOA core indicators of performance for the second and fourth quarter employment/education/training indicators. Another example of a type of work experience not explicitly mentioned in 681.600(c) is volunteer or community service work. While community service also falls under the program element of leadership development, if it meets the definition of work experience (i.e., a planned, structured learning experience that takes place in a workplace for a limited period of time), it could be considered a work experience activity and count toward the work experience expenditure requirement.

#### **4. Required Statewide Youth Activities**

- i. Eligible Providers List** – WIOA Section 129(b)(1)(B) requires states to disseminate a list of eligible providers of youth workforce investment activities, as determined under WIOA Section 123. Monitoring visits found that some states did not disseminate a list of eligible providers of youth workforce investment activities. Please note the requirement to disseminate a list of eligible youth providers is different from the eligible training provider list (ETPL). The list of youth service providers is specific to contracted WIOA youth providers and must be disseminated separately from the ETPL. In order to comply with this requirement, states must make available the list of WIOA youth service providers. Compliance with this requirement may include posting the list of each youth service provider, by local area, on the state workforce website.
- ii. Monitoring and Oversight** – WIOA Section 129(b)(1)(E) requires states to carry out monitoring and oversight of WIOA youth activities. A number of monitoring visits found



insufficient monitoring of local areas or service providers. Specific findings include: 1) inadequate state monitoring of local youth programs, 2) insufficient monitoring and oversight of youth service providers, 3) failure to monitor local area youth Requests for Proposals (RFPs) and contracts, and 4) inadequate monitoring tools to ensure youth program compliance.

States and local areas must conduct monitoring activities to determine if local areas and service providers are compliant with WIOA and the Final Rule and that youth are receiving the most effective and comprehensive services available to them under the law. States and local areas must monitor RFPs and contracts to ensure providers meet contractual requirements and provide mandated program services required under WIOA. States and local areas should utilize a monitoring tool to assess a program's progress and performance to ensure grant compliance.

ETA developed a WIOA Youth Monitoring Supplement to monitor the formula-funded WIOA programs at the state and local levels. States and local areas can modify and use both monitoring tools for their own monitoring of local areas and youth service providers. To access the Monitoring Supplement, see the resources section of the TEN.