

# Greater Memphis Workforce Development Board

SHELBY · LAUDERDALE · TIPTON · FAYETTE

## GREATER MEMPHIS LOCAL WORKFORCE DEVELOPMENT BOARD (GMLWDB)

### GREATER MEMPHIS LOCAL WORKFORCE DEVELOPMENT AREA

<b>EFFECTIVE DATE:</b>	January 1, 2021
<b>DURATION:</b>	Indefinite
<b>POLICY:</b>	Minimum Participant Cost Rate (MPCR) Policy
<b>PURPOSE:</b>	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.
<b>REFERENCES:</b>	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

#### Scope

American Job Center (AJC), Greater Memphis Local Workforce Development Area (GMLWDA), Greater Memphis Local Workforce Development Board (GMLWDB), One-Stop Operator (Operator), Title I - Adult, Dislocated Worker, and Youth Programs, Greater Memphis Local Workforce Development Board (GMLWDB), Workforce System Partners (Partners) and Workforce System Sub-Recipients (SubRecipients).

#### Background

GMLWDB and GMLWDA will 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 GMLWDA, as required under section 116(b). Under this policy, GMLWDB establishes a minimum participant cost rate (MPCR) as an additional State identified performance accountability measure. This policy is designed to set a benchmark for participant expenditures to more effectively focus resources on serving more individuals which impact performance and outcomes. This will place more of an emphasis on ensuring the financial integrity of taxpayer dollars in partnership with our workforce system stakeholders.

#### I. Guidance

GMLWDB will ensure a minimum of 42 percent of their WIOA Title I formula allocations are expended on allowable participant costs under WIOA funded services. For all other types of allowable WIOA funded services not mentioned below, GMLWDA, One-Stop-Operator, AJCs or staff must request clarification

from GMLWDB 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.

## **II. Qualifying Expenditures under this Policy**

As defined within this policy, certain WIOA funded services 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 LWDB, LWDB staff, AJCs, One-Stop Operator, and/or contracted service providers.

### **A. 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

GMLWDA must not use 100% of youth contract expenditures in the calculation of the 42% 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.

### **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 GMLWDA's 42% MPCR, please consider the factors below:

- If the activity is listed in 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:
  - o But for the WIOA Youth program, in order to receive this service/activity, would the participant have to incur any 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. Adult and Dislocated Worker Services:**

- Career Services - Defined as costs directly benefiting participants (i.e. assessments) and do not include salaries of staff providing the assessments.
- Training Services - Types of training services that may be provided include:
  - o Occupational skills training, including training for nontraditional employment;
  - o On-the-job training;
  - o Programs that combine workplace training with related instruction, which may include cooperative education programs
  - o Training programs operated by the private sector;

- 0 Skill upgrading and retraining;
- 0 Entrepreneurial training;
- 0 Jobs readiness training provided in combination with the training services described in any of clauses (a) through (g) or transitional jobs;
- 0 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 clauses (a) through (g); and
- 0 Customized training conducted with a commitment by an employer or group of employers to employ an individual upon successful completion of the training.
- 0 Supportive Services

### **III. Base Year**

MPCR is calculated by dividing the Total Qualifying Expenditures Incurred by the Total Cumulative Expenditures-Program Only (as reported on the Monthly Expenditure Report). Effective July 1, 2019, the Minimum Participant Cost Rate (MPCR) will be calculated following the above formula; however, Incumbent Worker Training (IWT) will be exempted from both Total Qualifying Expenditures Incurred, and the Total Cumulative Expenditures-Program Only.

### **IV. Required Action**

The following provisions address continuous improvement steps and include requested information from all One-Stop-Operator, AJCs or staff, to assist the area in meeting and/or exceeding the MPCR by the end of the program year.

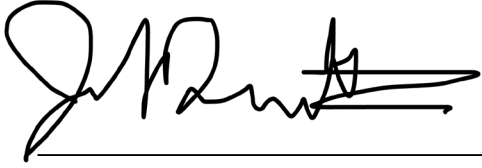
- GMLWDB must ensure compliance with the 42% minimum expenditure requirement to include the determination of the qualifying expenditures.
- The 40% expenditure rate will be reviewed quarterly by GMLWDB. To provide for continuous improvement, a Program/Partner performing below 42% must submit a brief narrative with the quarterly report explaining why the expenditure rate was not attained. A Program/Partner performing below 40% for three consecutive quarters must submit a GMLWDB approved Corrective Action Plan providing a detailed analysis of the inability to attain a minimum 42% training expenditure rate. This Corrective Action must include at a minimum:
  - GMLWDB approved action steps to meet the minimum required rate;
  - Timeline for meeting the 40% minimum required rate;
  - Any measurable benchmarks or indicators demonstrating the Program/Partner is on track to meet the expected outcome; and
  - Acknowledgment by GMLWDB that the area is subject to remedies for non-compliance as outlined in the Sanction Letter until the MPCR is attained.
  - Other information Program/Partner may want to include in the Corrective Action Plan that will be beneficial for review and comment.

### **V. Reporting and Monitoring**

WIOA requires that GMLWDB track training-related expenditures. A review of the requirement to expend 42% 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, GMLWDB will report prior program year training expenditure outcomes during Program Annual Review (PAR) monitoring. For example, the program year 2020 annualized expenses will be monitored in the program year 2020 to ensure compliance.

### **INQUIRIES**

Please contact Amber Covington, WIOA Director of Programs, [acovington@memphischamber.com](mailto:acovington@memphischamber.com), with any questions or concerns regarding this policy.



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Jay Robinson  
Workforce Midsouth, Inc. Board Chair

5/21/2021

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Adopted Date

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*GMLWDB is a proud partner of the American Job Center network, is an Equal Opportunity Employer. The Career Center System is Employer/Equal Opportunity Program. Auxiliary aids and services are available upon request to individuals with disabilities. TTY: 1-800-848-0299*

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**Attachment 1: Minimum Participant Cost Rate by Program Year**

**MPCR Calculation Methodology:**

- A. Total Qualifying Expenditures= sum of all allowable WIOA funded services by program as identified in Section A and B or MPCRPolicy
- B. Total Cumulative Expenditures= 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 the combined formula fund totals not the individual program totals
- 3. The relevant data is to be keyed into the input cells (orange colored cells only)

**Illustration:**

MPCR Threshold		40%			Southeast		
Program	Funding Type	Program Year 2019			Program Year 2020		
		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)
WIOAVouth	PY	397,429.50	794,859.00	50%	346,580.40	866,451.00	40%
WIOAAAdult	PY	33,503.50	67,007.00	50%	58,350.00	145,875.00	40%
	FY	367,378.50	734,757.00	50%	402,421.20	1,006,053.00	40%
WIOA Dislocated Worker	PY	32,447.00	64,894.00	50%	32,510.00	81,275.00	40%
	FY	205,245.50	410,491.00	50%	146,581.20	366,453.00	40%
Grand Total		1,036,004.00	2,072,008.00	50%	986,442.80	2,466,107.00	40%

Was the MPCR Threshold Met?

Yes

Yes

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

**Attachment 2: List of Qualifying Expenditures (based on billable activities in VOS).**

**Note:** As indicated in state policy (Section 1: Guidance.), the local WDB or staff should request clarification from the IDLWD 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 III.B.3
181	Support Service - Transportation Assistance	Section 111.B.3
182	Support Service - Medical	Section 111.B.3
184	Support Service - Temporary Shelter	Section 111.B.3
185	Support Service - Other	Section 111.B.3
186	Support Service - Seminar/Workshop Allowance	Section 111.B.3
187	Support Service - Job Search Allowance	Section 111.B.3
217	Support Service - Relocation Assistance (TM only),	Section 111.B.3
219	Work Experience	Section 111.B.1
300	Occupational Skills Training - Approved Provider List (ITA)	Section 111.B.2.a
301	On-The-Job Training	Section 111.B.2.o
302	Entrepreneurial Training	Section 111.B.2.g
303	Distance Learning	Section 11.B.a and 11.B.e
304	Customized Training	Section 11.B.2.j
320	Private Sector Training	Section 111.B.2.e
323	Workplace Training & Cooperative Education	Section 111.B.2.d
324	Adult Education w/ Occupational Skills Training - Approved Provider List (ITA)	Section 11.B.2.i
325	Employed Worker Skills Upgrading/Retraining	Section 11.B.2.f
326	Support Service - Needs Related Payments	Section 111.B.3
327	Support Service - Training Allowance	Section 111.B.3
406	Youth - Tutoring, Study Skills Training, & Instruction	Section 111.A.1
416	Youth - Occupational Skills Training - Approved Providers List (ITA)	Section 111.A.4
425	Youth - Work Experience - Paid	Section 111.A.3
426	Youth - Work Experience - Un-Paid	Section 111.A.3
430	Youth - Occupational Skills Training - Non-Approved Providers	Section 111.A.4
480	Youth Support Service - Child/Dependent Care	Section III.A.?
481	Youth Support Service - Transportation Assistance	Section 111.A.7
482	Youth Support Service - Medical	Section III.A.?
483	Youth Support Service - Temporary Shelter	Section 111.A.7
484	Youth Support Service -	Section III.A.?
485	Youth Support Service - Other	Section 111.A.7