



Bay Consortium Workforce Development Board

Policy Number: 16-07

Effective Date: February 1, 2017

Title: Bay Consortium Youth 5% Income Exception Policy

PURPOSE

The purpose of this policy is to establish the Bay Consortium Workforce Development Board's local procedures for applying, documenting, and monitoring the Workforce Innovation and Opportunity Act Title I Youth Program 5% income exception. This policy ensures that BCWDB and its WIOA Title I Youth providers remain compliant with VWL 16-12 guidance and federal WIOA requirements.

DEFINITIONS

- Federal Register, August 19, 2016, Department of Labor, Employment and Training Administration, 20 CFR Part 681.310(b)
- Federal Register, August 19, 2016, Department of Labor, Employment and Training Administration, 20 CFR Subpart B 681.250
- WIOA (Pub. L. 113-128) Title I, Section 129 (3) (A) (i); Section 129 (a) (3) (A) (ii)
- Training and Employment Guidance Letter (TEGL) No. 8-15: Operating Guidance for the Workforce Innovation and Opportunity Act
- Virginia Workforce Letter (VWL) No. 14-04: Youth in Need Of Additional Assistance Requirements
- Virginia Workforce Letter (VWL) No. 15-02: Eligibility Guidelines
- Virginia Workforce Letter (VWL) No. 15-02, Attachment C: WIOA Youth Eligibility
- Virginia Workforce Letter (VWL) No. 16-00, 2016 Poverty and 70% Lower Living Standard Income Levels
- Virginia Workforce Letter (VWL) No. 16-11, Youth in Need of Additional Assistance Requirements and In School Youth 5% Limitation Barrier
- Virginia Workforce Letter No. 16-12, 5% Income Exception for WIOA Youth Programs

POLICY

The BCWDB may allow a limited number of WIOA Title I Youth participants who do not meet low-income criteria to be served under the 5% income exception, when otherwise eligible and appropriate. However, BCWDB and its service providers must ensure that no more than 5% of covered youth participants who would ordinarily be required to meet low-income criteria are enrolled as non-low-income youth at any given time.

Use of this exception must be limited, justified, documented, approved, and monitored throughout the program year.

Covered Individuals

For purposes of this policy, "covered individuals" include:

1. In-school youth; and
2. Out-of-school youth who are otherwise required to meet low-income criteria, including:
 - A youth with a secondary school diploma or recognized equivalent who is basic skills deficient or an English language learner; or
 - A youth who requires additional assistance to enter or complete an educational program or to secure or hold employment.

Youth who meet low-income criteria are not counted against the 5% income exception. A youth living in a high-poverty area is automatically considered low-income and must not be counted under this exception.

Local Eligibility Requirements

Before a youth may be enrolled using the 5% income exception, the provider must document that:

1. The youth is otherwise eligible for the WIOA Title I Youth Program;
2. The youth does not meet WIOA low-income criteria;
3. The youth meets all other applicable WIOA Youth eligibility requirements;
4. The youth would benefit from WIOA Youth services;
5. The youth's file includes a written justification for use of the exception; and
6. BCWDB or its designee has confirmed that enrollment will not cause the local area to exceed the 5% limitation.

Calculation Method

The 5% income exception is calculated based only on youth enrolled during the program year who would ordinarily be required to meet low-income criteria. This includes all in-school youth and only those out-of-school youth categories that require low-income status.

Formula

Total number of enrolled youth required to be low-income \times 5% = Maximum number of youth who may be enrolled under the income exception.

Example: If BCWDB has 100 youth enrolled who are required to meet low-income criteria, no more than 5 may be enrolled using the 5% income exception.

Approval Procedure

Providers must receive approval before enrolling a youth under the 5% income exception.

The provider shall submit the following to BCWDB or its designated reviewer:

- Youth name or unique identifier;
- Youth category, ISY or OSY;
- Explanation of why the youth does not meet low-income criteria;
- Documentation showing all other eligibility requirements are met;
- Case note explaining why WIOA Youth services are appropriate;
- Confirmation that the youth is not otherwise low-income through public assistance, free or reduced lunch, foster care, homelessness, high-poverty area status, or other applicable criteria; and
- Current local 5% exception tracking count.

BCWDB or its designee must approve or deny the request before participation is triggered in VAWC.

Documentation Requirements

Each participant file using the 5% income exception must include:

1. Completed WIOA Youth eligibility determination;
2. Documentation of income review and non-low-income determination;
3. Written justification for the exception;
4. BCWDB approval or designee approval;
5. VAWC case note identifying use of the 5% income exception;
6. Supporting documentation for all other required eligibility elements; and
7. Individual Service Strategy showing the need for WIOA Youth services.

Monitoring and Tracking

BCWDB will monitor the 5% income exception throughout the program year. Providers must maintain an active tracking log of all youth enrolled using the exception. At minimum, BCWDB will review:

- Number of youth enrolled who are required to meet low-income criteria;
- Number of youth enrolled under the 5% income exception;
- Percentage used;
- Supporting documentation in participant files;
- VAWC eligibility and case note documentation; and
- Provider compliance with prior approval procedures.

Providers must submit updated tracking information to BCWDB at least quarterly, or more frequently upon request.

Corrective Action and Disallowed Costs

If a provider enrolls a youth under the 5% income exception without approval, without sufficient documentation, or in excess of the allowable 5% threshold, BCWDB may require corrective action.

Corrective action may include:

- File correction;
- Additional staff training;
- Suspension of provider authority to use the exception;
- Required pre-enrollment review for all youth files; and
- Fiscal review.

VWL 16-12 guidance states that local workforce areas exceeding the 5% income exception may be subject to disallowed costs, reviewed case by case by the WIOA Title I Administrator.

Distinction from ISY 5% Barrier Limitation

This policy applies only to the 5% income exception. It is separate from the limitation allowing no more than 5% of in-school youth to be determined eligible based on the “requires additional assistance” barrier. Providers must track and monitor these two requirements separately.

Record Retention

All documentation related to eligibility, approval, monitoring, and use of the 5% income exception must be retained in accordance with BCWDB record retention requirements, WIOA requirements, and Virginia Works monitoring expectations.