



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Department of Labor and Training

Center General Complex
1511 Pontiac Avenue
Cranston, RI 02920

Telephone: (401) 462-8000
TDD: (401) 462-8006

Donald L. Carcieri
Governor
Sandra M. Powell
Director

WORKFORCE INVESTMENT NOTICE: 08-23

Workforce Investment Act

TO: WORKFORCE INVESTMENT AREAS

FROM: Donna Treglia, Acting Administrator - Workforce Investment Office

SUBJECT: Needs Related Payments

DATE: June 24, 2009

1. **PURPOSE.** To transmit guidance regarding the implementation of needs related payments (NRP) under the Workforce Investment Act (WIA) and the American Reinvestment and Recovery Act of 2009.
2. **REFERENCES.**
 - a. Workforce Investment Act of 1998, Section 134(e)(3) and 134 (d)(4)
 - b. WIA Regulations, 20 CFR Part 663.815-840
 - c. American Reinvestment and Recovery Act of 2009 (Recovery Act)
 - d. [Training and Employment Guidance Letter #14-08](#)
3. **RECISSION.** Workforce Investment Notice #00-26
4. **BACKGROUND.** Under WIA, funds that are allocated to a local workforce area are allowed to be used for Needs-Related Payments. Needs-Related Payments (NRPs) provide financial assistance to eligible adults and dislocated workers to enable them to participate in training programs and are one of the supportive services authorized by CFR 663.800. In addition, the Recovery Act specifically emphasizes the authority to use these funds for supportive services and needs

related payments to ensure participants have the means to pay living expenses while receiving training.

A fundamental principle of WIA is to provide the local areas with the authority to make policy and administrative decisions in order to tailor the services offered through WIA to meet the needs of the local community. Local Workforce Investment Boards are required to develop policies and procedures addressing coordination of services and resources with other programs and entities. Assurances should be made that the resources and services provided are not available through other entities and that they are necessary for the individual to participate in WIA activities. Needs-related payments should only be provided with WIA funds when other funds are not available or have been exhausted.

The following procedures shall define the eligibility, level of payment, policy, and documentation requirements of needs-related payments for Adult and Dislocated Workers under WIA.

A. Eligibility Requirements

Adults must:

- Be unemployed, and
- Not qualify for (or have ceased qualifying for) unemployment insurance (UI) compensation, and,
- Be enrolled in a program of training services under WIA, section 134 (d)(4).

Dislocated Workers must:

- Be unemployed, and
- Have ceased to qualify for unemployment compensation or trade readjustment allowances under TAA or NAFTA-TAA, and
- Be enrolled in a program of training services under WIA, section 134 (d)(4), by the end of the 13th week after the most recent layoff that resulted in a determination of the worker's eligibility as a dislocated worker; or, if later, by the end of the 8th week after the worker is informed that a short-term layoff will exceed 6 months; or,
- Be unemployed and did not qualify for unemployment compensation or trade readjustment allowances under TAA or NAFTA-TAA.

If these eligibility requirements are met, individuals may be awarded needs-related payments while waiting to start training if the individual has been accepted in a training program that will begin within 30 calendar days. The State Workforce Investment Office may authorize local areas to extend the 30 day grace period to address appropriate circumstances.

B. Level of Payment Determination

The payment level for adults must be established by the Local Workforce Investment Board. (CFR 663.840 a)

The level of a Needs-Related Payment made to a Dislocated Worker shall not exceed the greater of either of the following levels:

- For participants who were eligible for unemployment compensation as a result of a qualifying dislocation, the payment may not exceed the applicable weekly level of the unemployment compensation benefit, or
- For participants who did not qualify for unemployment compensation as a result of a qualifying layoff, the weekly payment may not exceed the poverty level for an equivalent period. The weekly payment level must be adjusted to reflect changes in total family income as determined by local board policies. (CFR 663.840 b)

WIA does not specify a minimum level of payment.

To qualify for such payments, a determination of need must be made. The need will be determined by comparison of a participant's household income versus 100% of the most current Lower Living Standard Income Level (LLSIL). If the previous 12 month family income is less than the LLSIL for the family size, then the participant is determined to be below self-sufficiency and therefore eligible to receive NRPs. Every six (6) months from the date of the original determination of eligibility for needs-related payments, the household income must be re-examined to determine the participant's current eligibility for payments.

C. Needs-Related Payments Policy Requirements

Local Workforce Investment Boards that approve the use of needs-related payments must develop a policy in consultation with One-Stop partners and other community service providers, and submit their policy for approval to the State Workforce Investment Office prior to local implementation.

The policy must address the following issues:

- Determination of level of NRPs (payment amount)
- Will any specific populations be targeted?
- Is there a maximum amount of funding and/or a maximum amount of time that NRPs will be authorized?
- Can and/or will payments be made to participants on sick, vacation, or holiday leave?
- What attendance and academic standards will be required for payments to continue and how will this be verified?
- How will on-line and distance learning be handled?

- How many hours/credits must a participant be registered for in order to remain eligible for NRPs?
- Will NRPs be suspended during periods of earned income and will participants have to re-qualify to start receiving NRPs again once the income ends?
- Who will have the authority to approve participant requests for NRPs and how will the approval process be handled?
- Who will manage the NRP program?
- How will the payment process be handled?
- Who will respond to questions and complaints?
- If an individual receives NRPs at the same time as supportive services from another program/partner, how will this be coordinated and documented?
- Will the receipt of NRPs have an effect on any other benefits the participant is receiving?

The policy must state that in the event of the discovery of fraudulent activity, all payments to the fraudulent party will cease and all funds paid will be recovered. All cases of fraud or suspected fraud will be forwarded to the appropriate legal authorities for prosecution.

D. Needs-Related Payments Documentation Requirements

Each Local Workforce Investment Board will be required to specify in their local needs-related payment policy how they will document the requirements for and payments from this program.

Required documentation includes:

- A copy of a UI entitlement decision or confirmation of UI benefits being exhausted (including weekly benefit amount).
- Supporting documentation of income for 12 month period
- A copy of the "Notice of Participation"
- Bi-weekly / weekly attendance forms signed by the participant and a representative of the school
- A statement signed by the participant attesting to his/her understanding of NRP requirements and instructions.
- All eligibility determinations must be documented.
- A comprehensive reporting system of all NRPs.

- 5. ACTION REQUIRED.** If the local area chooses to provide needs related payments, the policy should be prepared and adopted. The policy must be submitted to the State Workforce Investment Office prior to implementation.
- 6. INQUIRIES.** Questions concerning this subject may be directed to me at 462-8784 or Mavis McGetrick at 462-8791.