



NEMO WIB Issuance #03-09

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Effective: October 21, 2009

To: All Program Operators
From: Mark Fuqua, Executive Director
Subject: **Needs Related Payments**

Purpose: To provide policy and guidance regarding Needs Related payments to Adults and Dislocated Workers as defined in WIA Section 134 (e)(3)(A).

Background: The Workforce Investment Act of 1998 defines Needs Related as: Funds allocated to a local area for Adults and Dislocated Workers that may be used to provide Needs Related payments respectively, who are unemployed and do not qualify for or have ceased to qualify for unemployment compensation for the purpose of enabling such individual to participate in programs of training services under sub-section (d)(4).

Needs Related Payments (NRP) provide financial assistance to participants for the purpose of enabling individuals to participate in training programs, and are one of the support services authorized by WIA. Federal regulations require that payments must be based on financial need.

Substance:

A. Eligibility for Needs Related Payments for WIA Adult and Dislocated Workers

Needs Related payments may be provided to eligible adult or dislocated workers to allow such workers to participate in training when other funds are not available or have been exhausted. Needs Related payments should be considered only if other possible sources of funds for the participant (i.e., Unemployment Insurance benefits, Trade payments, or personal/household income) are either not available or have been exhausted. This service is based upon the family's financial need and the suitability for training.

- Needs Related payments must be documented in the Toolbox case management system and include justification for services, amount of planned funding, and verification that services were received.
- Needs Related payments are not an allowable post-employment or post-exit follow-up service.

- All provision for Needs Related payments must be documented in Toolbox on the Initial Assessment tab and the ISS.
- Needs Related payments cannot be offered in conjunction with wage based activities.

For an Adult to receive Needs Related payments the Adult must:

- (a) Be unemployed;
- (b) Not qualify for, or have ceased qualifying for, unemployment compensation;
and
- (c) Be enrolled in a program of training services

For a Dislocated Worker to receive Needs Related payments, a Dislocated Worker must:

- (a) Be unemployed, **and**:
 - (1) Have ceased to qualify for Unemployment compensation or Trade Readjustment Assistance under TAA or NAFTA-TAA; **and**
 - (2) 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**
- (b) Be unemployed and did not qualify for unemployment compensation or trade readjustment assistance under TAA or NAFTA-TAA.

B. Level of Payments and Conditions

Adults and Dislocated Worker

NRP are not intended to provide enough money to meet all the needs of participants enrolled into training. The level of Needs Related payments (NRP) made to qualifying Adults and Dislocated Workers may not exceed \$200 per week.

- Determination of financial need may be determined up to 90 days prior to the start of training. This individual determination of eligibility is based on the family income from the prior three months.
- If the participant is not initially eligible and his or her financial situation changes during the course of training, eligibility may be re-determined throughout the course of participation. However, the time frame requirements for beginning training (if applicable) and the family income requirements must be met in order to begin issuing Needs Related payments.
- If these eligibility requirements are met, individuals may be awarded NRPs from WIA funding prior to the start of training classes for the purpose of enabling the

individual to participate in programs of employment and training services that begin within thirty (30) calendar days.

- If extenuating circumstances arise, a request for waiver can be submitted to the Workforce Investment Board to increase the weekly amount. When submitting a wavier supporting documentation should accompany the request. Consideration will be given on a case by case basis for participants with extreme situations.

C. Participant Training Requirements

- The following sections must be completed: Initial assessment, case notes and a financial budget providing justification for Needs Related Payments.
- The file will contain documentation of need, amount of each payment received and the time period covered by each payment.
- Needs Related payments are not an entitlement to eligible participants.
- The Initial assessment and the ISS must provide for periodic reassessment of need to accommodate any change in an individual's financial status.
- Weekly payments may begin on the Monday after both eligibility and training enrollment criteria have been met.
- All training participants must be enrolled and attending full-time training (12 credit hours or 24 actual hours) and maintain a minimum GPA of 2.0 in order to continue receiving NRPs.
- When a participant has a break in training of less than 30 business days (not counting weekends or holidays), the participant is still eligible for NRPs and can receive the weekly NRP. If the break in training is greater than 30 business days, the participant will not receive the NRPs for that period until the participants training program begins.
- NRP funds may be used only during the period in which an individual participates in training. Needs Related payments must be immediately terminated for any participant who fails to meet one of these training requirements.
- Training participants must maintain acceptable attendance in training or the payments will stop.

D. Training Services

A program of Training services as one or more courses or classes, or a structured regimen that upon successful completion, leads to:

- A certificate, an associate degree, baccalaureate degree;
- Skills or competencies' needed for a specific job, type of work, occupation, occupational group, or generally, for many types of jobs or occupation, as recognized by employers and determined prior to training.

Types of training include:

- Occupational skills training, including training for nontraditional employment
- Programs that combine workplace training with related instruction, which may include cooperative education programs
- Training programs operated by the private sector
- Skills upgrading and retraining
- Entrepreneurial training
- Job readiness skills
- Adult education and literacy activities provided in combination with any other training services listed above and
- Customized training with a commitment by an employer or group of employers to employ an individual upon successful completion of the training

E. Continuing Eligibility to Receive NRPs

- NRPs are not intended to meet all the needs of a worker enrolled in training and are limited to workers who need assistance to complete their training plans.
- Participants receiving NRPs must re-qualify for these benefits during the period of the training program every 90 days from the date of the original determination. For the purpose of determining need, household income is defined as the income of the participant and family.
- This re-determination shall be based on the family income for the previous ninety (90) day period.
- Any income received by the family will be included but income from the Needs Related payments will not be included.
- The total revised family income shall continue to be annualized to determine the participants' current eligibility for Needs Related payments.

- Where the revised family income exceeds the LLSIL, the eligible participant shall not be eligible for Needs Related payments.
- Where the revised family income does not exceed the LLSIL, the eligible participant shall continue to receive Needs Related payments.
- NRPs are not allowable for participants receiving Unemployment Insurance, Trade Readjustment (TRA), On-the-Job training, relocation assistance or any other paid service. (Support services can continue to be provided)

F. Administration and Oversight

- A copy of the UI entitlement decision or confirmation of UI benefits being exhausted will be maintained in each customers file.
- Verification that the individual is in training will be maintained in each customers file. Verification of the ITA can be used.
- Verification of enrollment/registration, participation, grades and completion of training classes
- A copy of each semester's class schedule and grades will be maintained in the customers file
- A minimum of weekly verification of attendance and training progress will be reviewed by the staff before submitting for payment.

Needs Related payments are based upon need as identified in the assessment or through counseling and are dependent upon availability of funds. NRP's have been classified as non-taxable income by the Internal Revenue Service (IRS).

Contact: If you have any questions or comments please contact Mark Fuqua or Linda Studer, NEMO Workforce Investment Board, at 660-327-5125.

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