UNDEREMPLOYED DEFINITION AND ADULT PROGRAM SERVICE PRIORITY POLICY

POLICY #: 210
Date of Original Policy: N/A
Date of Current Revision: 1/23/09
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BACKGROUND

The Workforce Investment Act of 1998 ("WIA") and the implementing Final Rule contain a number of references and requirements relating to the terms "underemployed" and "self-sufficient" and to adult program service priorities. In addition, Washington State Policy #3640, Revision 1, regulates the adult program's service priorities and eligibility determination process.

- The SWWDC is given the authority to define the term "underemployed" in relation to participant "self-sufficiency", 20CFR 663.230.

- The term, "underemployed", as defined by the SWWDC, affects adult program eligibility and the eligibility of displaced homemakers for the dislocated worker program, to the extent applicants are employed at the time eligibility is determined, 20CFR663.230 and 663.120, WIA Section 101(9) and (10).

- The term, "underemployed" also determines whether employed adult, youth and dislocated worker participants may receive on-the-job training ("OJT") or customized training, 20CFR 663.705(a) and 663.720(a).

- Eligible, "underemployed" youth who have a high school degree or its equivalent are considered "out-of-school", 20CFR 664.300(b).

- To the extent WIA adult funds are limited, each Washington WDC must prioritize intensive and training services for eligible adults, 20CFR 663.600 and WIA Section 134(d)(2)(E), and Washington State Policy 3640, Revision 1.

This policy governs each of the uses of the term "underemployed" referenced above and also prioritizes adult intensive and training services for eligible adult program applicants.

1. UNDEREMPLOYED DEFINITION

Families residing in Clark, Cowlitz, and Wahkiakum Counties may receive Federal housing subsidies on a sliding scale if they earn less than 80% of their County's median family income. Individuals qualifying for housing subsidies are not self-sufficient and are, therefore, underemployed. For the purposes of this policy, current or future residency in a three person family is presumed.

Businesses in the Southwest Washington workforce investment area commonly employ individuals who reside in all three area counties and in neighboring counties. Individuals often move between counties as well. While the 2004 median family income varies from county to county, the SWWDC elects to utilize 80% of Clark County's median family household income for a three person family.

Self-sufficiency levels will be determined using the most current annual median wage information. For example: The current annual median household income for a family of three

residing in Clark County is $61,125. To determine the self sufficiency wage, take $48,900 (80% of median wage) divided by 2080 (the approximate full-time hours worked). Rounded off to the nearest dollar, this equals $24/hr. Therefore, employed adult program and employed displaced homemaker applicants earning $24.00 per hour or less are considered "underemployed", regardless of their family size.

2. UPGRADE OJT AND CUSTOMIZED TRAINING DEFINITION

All underemployed participants, as determined by the above definition, may receive OJT's or customized training.

3. UNDEREMPLOYED YOUTH

All eligible youth are considered "underemployed" for purposes of the "out-of-school" determination.

4. ADULT PROGRAM PRIORITIZATION

A. Mainstream WorkSource Center Programs

The SWWDC has allocated the majority of its WIA adult program grant funds to mainstream WorkSource Center programs. The SWWDC's adult service provider will adopt and monitor written procedures to ensure that mainstream adult intensive and training services are delivered, to the extent possible, in accordance with the following Washington State adult program priorities:

First priority: Public assistance recipients and other low-income individuals who are otherwise eligible for intensive or training services are given first priority. Veterans and "other covered individuals" who are recipients of public assistance or who are low-income shall be given first priority from among this group. The term "low income individuals" is defined in WIA Section 101(25).

Second priority shall be given to other eligible veterans and "other covered individuals". The terms "veterans" and "other covered individuals" are defined in Washington State Policy No. 3641.

Third priority shall be given to individuals (who are eligible for intensive and training services as described above) with income under 175 percent of poverty.

Fourth priority: Eligible adults who do not fit into the three priorities listed above may be served on a case-by-case basis. Individuals served under this fourth priority must:

- Be approved in writing by a designated SWWDC staff person;
- Approval will be sought using a standard format; and
- The amount of WIA adult funds to be spent on the individual should be estimated; and
- The adult applicant must have one or more significant barriers to full-time employment leading to self-sufficiency, including but not limited to a disability.

B. Opportunity Fund

The SWWDC has allocated a portion of its WIA adult program grant funds to an Opportunity Fund which targets specific occupations with substantial growth potential in the workforce investment area. Refer to the SWWDC's Opportunity Fund policy. Eligible adult applicants who are unemployed or underemployed and who are working for or who have a training plan aiming

at employment with an employer who qualifies for Opportunity Fund assistance are the service priority for this small subset of the SWWDC's WIA adult program allocation.

5. ELIGIBILITY VERIFICATION

Check stubs and any other employer or government generated document may verify an individual's hourly or annual wage or employment with an Opportunity Fund employer. The wages of family members who are not applicants for WIA funded services may be reasonably estimated, and may be verified by a written, signed statement if employer or government generated documentation is unavailable. Planned employment with an Opportunity Fund employer shall be documented in the training plan.

6. ANNUAL UPDATES

Median family income guidelines may be updated annually as information is received. Updated charts are located on our website.
SWWDC Policy #500 Income Charts – Poverty and LLSIL
http://www.swwdc.org/serviceproviders/policies.html

REFERENCES/RESOURCES

- WIA Section 101(25)
- Washington State Policy No. 3641
- 20CFR 663.230, 663.120, WIA Section 101(9) and (10).
- 20CFR 663.705(a) and 663.720(a)
- 20CFR 664.300(b)
- 20CFR 663.600
- WIA Section 134(d)(2)(E)
- Washington State Policy 3640, Revision 1