VIRGINIA CAREER WORKS

PIEDMONT REGION

Title:	Minimum Training Expenditure Requirement	**Policy**	39
Effective Date:	July 1, 2026	**Revision Date:**	July 1, 2026

I. Purpose

The purpose of this policy is to establish regional requirements and procedures to ensure compliance with the Virginia Workforce Letter (VWL) 14-17, Minimum Training Expenditure Requirement, and Code of Virginia § 2.2-2472.2. This policy supports investment in workforce training activities that result in recognized postsecondary credentials and employment in in-demand occupations and industries.

II. References

- Workforce Innovation and Opportunity Act (WIOA), Section 134
- Code of Virginia § 2.2-2472.2
- VWL 14-17, Change 4, Minimum Training Expenditure Requirement
- Virginia Board of Workforce Development Training Provider Policies
- Applicable Virginia Works and Virginia Career Works guidance

III. Policy Statement

Virginia Career Works Piedmont (*the Board*) shall ensure that a minimum of forty percent (40%) of WIOA Adult and Dislocated Worker formula funds are expended on allowable training services that lead to recognized postsecondary credentials and workforce credentials aligned with local and regional in-demand occupations and industries.

All workforce service providers operating under contract with the Board shall support achievement of the required expenditure level and shall accurately document expenditures that qualify toward the training requirement.

IV. Training Expenditure Requirement

A. Required Expenditure Level

The Board shall maintain an annual training expenditure rate of at least 40% for combined Adult and Dislocated Worker formula funding.

B. Allowable Training Costs

The following expenditures may be counted toward the minimum training expenditure requirement when properly documented and authorized:

1. Occupational Skills Training
2. Individual Training Accounts (ITAs)
3. On-the-Job Training (OJT)
4. Customized Training
5. Registered Apprenticeship Training
6. Incumbent Worker Training
7. Transitional Jobs
8. Work Experience Activities
9. Pre-vocational and Remedial Training

10. Training-related supportive costs, including:
    - Tuition
    - Books
    - Fees
    - Testing costs
    - Required supplies and materials

Allowable case management costs directly attributable to participants enrolled in training activities.

C. Eligible Training Providers

Training services must generally be provided through providers approved under Virginia's Eligible Training Provider requirements unless otherwise permitted by state policy.

V. Case Management Costs

Consistent with VWL 14-17 guidance, allowable case management costs associated with training participants may be included in the training expenditure calculation when those activities directly support training enrollment, participation, completion, and credential attainment.

Allowable activities may include:

- Development of training plans
- Training-related participant counseling
- Monitoring participant progress
- Coordination with training providers
- Training-related supportive service coordination
- Credential completion activities

General career services, follow-up services, administrative activities, and supervisory costs shall not be included unless specifically permitted by state guidance.

VI. Monitoring and Reporting

The Board shall:

1. Monitor training expenditures at least quarterly.
2. Review training expenditure performance with service providers.
3. Track progress toward the annual 40% requirement.
4. Maintain documentation supporting all expenditures counted toward the requirement.
5. Report expenditure levels in accordance with state requirements.

VII. Corrective Action

If quarterly monitoring indicates the Board or a service provider is at risk of failing to meet the required training expenditure rate, the Board may require:

- Submission of a corrective action plan;
- Increased enrollment into training activities;
- Budget modifications;
- Technical assistance; and
- Additional monitoring reviews.

VIII. Sanctions

Failure to meet the required training expenditure threshold may result in actions consistent with state policy, contract provisions, and applicable Virginia Works sanction procedures. Corrective actions and sanctions will be progressive and proportional to the severity and duration of noncompliance.

IX. Local Procedures

The Executive Director, Fiscal Agent, and contracted service providers shall develop operating procedures sufficient to:

- Calculate the annual training expenditure rate;
- Document qualifying expenditures;
- Track participant training activity;
- Review monthly and quarterly expenditure reports; and
- Maintain records for monitoring and audit purposes.

X. Authority

This policy remains in effect until superseded by federal law, Virginia Works guidance, Virginia Board of Workforce Development policy, or action of the Piedmont Workforce Development Board.

Approved: Approved by the Board 9.15.26

Board Chair Print Name: ______________________________

Date: ______________

Guidance:

Definition of Training

To support the use of high-quality training providers and programs, all training providers must be WIOA-certified under the existing state eligible training provider system. The one exception is when the employer itself is serving as the training provider.

The following services count as training for purposes of the 40% requirement, and boards are encouraged to consider the full range of options available to them:

A. Occupational Classroom Training
   a. Occupational training is predominantly technical training that prepares the student for entry into a particular occupation or set of occupations. Training must be delivered in accordance with VBWD Policy 404-01, Identification of Eligible Providers of Occupational Skills Training. Expenditures for occupational training (Individual Training Account (ITA) and Non-ITA) include:
      i. Occupational Classroom Training-ITA: Payments made to a training institution or provider for occupational classroom training authorized to be funded by an Individual Training Account (ITA).
      ii. Occupational Classroom Training-Non-ITA: Payments made to a training institution or provider, including community-based organizations or other public or private organizations of demonstrated effectiveness, for occupational classroom training authorized pursuant to a contract for training services or other contractual arrangement that constitutes an exception to the use of an ITA (20 CFR Part 663.430).

B. On-The-Job Training (OJT)
   a. OJT payments are payments made to public, not-for-profit, and private sector employers for training costs authorized pursuant to an OJT contract.

C. Work Experience
   a. Payments made to participants that represent hours worked in work-based training, including internships. While WIOA classifies Adult and Dislocated Worker Work Experience as an Individualized Career Service, the state allows this expense to count toward the 40% training requirement under this VWL, giving boards more flexibility.

D. Customized Training
   a. Customized training is designed to meet the specific needs of an employer or group of employers. For it to count toward the 40% requirement: It should make up no more than 50% of the total training cost; and
      i. It should be delivered under a contract with an employer who either: Agrees to hire WIOA participants upon completion of the customized training; or
      ii. Is training employed workers who:
         a. Do not earn wages at a self-sufficiency level and whom the employer commits to continue employing; and
         b. Are being trained in new technologies, new production or service procedures, or additional skills or workplace literacy needed for retention and progression in employment.

E. Class-Size Training Contracts
   a. Class-Size Training Contracts are a helpful option when there's a need to place multiple WIOA-registered students in the same training program with one educational institution or eligible training provider, and these may count toward the 40% requirement. Congressional authority permits the use of WIOA formula funds for this purpose. Costs associated with these contracts are allowable when:
      i. The contract leads to placement in an in-demand occupation and is in place with an institution of higher education or other eligible training provider.
      ii. Training services include a full range of occupational skills training or customized training, as described in WIOA section 134.
      iii. When WIOA registrants occupy only a portion of a class-size contract, a method is in place to allocate costs proportionally to the percentage of WIOA-registered students. (All costs associated with the contract should be allocated in proportion to the number of WIOA-registered students relative to the overall number of students.)

iv. The contract complies with the existing class size training policy.

F. Transitional Jobs Transitional jobs are a type of work experience local WDBs may offer under WIOA. Payments for wages that represent hours worked in a work experience may count toward the 40% minimum training requirement. While Transitional Jobs **are not classified as training under WIOA**, the state allows this expense to count toward the requirement under this VWL. Please note that for federal reporting purposes, Transitional Jobs are not included under training costs.

G. Registered Apprenticeship (RA)

a. Eligible expenses for Registered Apprenticeships include Individual Training Accounts, OJT, and contracted classes.

H. Incumbent Worker Training

a. Incumbent Worker Training involves working with an employer or employer association to upgrade the skills of a particular workforce, whether at the workplace or an off-site location, during or after work hours. Only costs directly associated with training incumbent workers may be included. These costs are:

i. Training development

ii. Instructor wages

iii. Tuition

iv. Training materials and supplies

v. Fees; and

vi. Travel for incumbent workers from the workplace to the training location, as needed and if training is off-site

I. Remedial Training/Pre-Vocational Services

a. Payments made to a training institution for classroom instruction in academic remediation for a postsecondary education or workforce program, for short-term prevocational services, or for education toward high school equivalency. While these services **are not classified as training under WIOA**, the state allows this expense to count toward the 40% requirement under this VWL. For federal reporting purposes, Remedial Training/Pre-Vocational Services are not included under training costs.

i. Virginia Works asks that these services be limited to no more than nine months in duration, unless provided alongside occupational training services.

J. Books, Fees, Travel, Materials and Related

a. These expenses include those paid to a training institution, training provider, or individual participant for books, training materials, required uniforms and other workplace attire, and tools or equipment required for training. Costs of training-related licenses, permits, or fees may also count toward the 40% requirement.

b. Participant travel to and from a training location, for any type of WIOA-supported training and in accordance with local policy, may count toward the 40% expenditure requirement. WIOA considers these costs a Supportive Service cost.

K. Certification Tests

a. All examination and testing costs, including practice tests, associated with a participant's attainment of an in-demand industry certification or occupational license. While WIOA considers these a Supportive Service cost, the state allows this expense to count toward the 40% requirement under this VWL.

L. Case Management

a. Allowable case management cost includes:

i. Case Manager time spent working directly with participants enrolled in training (not participants seeking training), including researching, creating, monitoring, providing supportive services, ITA development, and closing out an Adult or Dislocated Worker jobseeker training account.

ii. Case Manager time spent identifying or developing training opportunities, including working with employers and/or training providers.

iii. Case Manager time working with employers to help ensure a successful training experience, including managing and evaluating the work experience.

iv. Case Manager costs are limited to salaries and benefits.

v. Case management costs that contribute to the Training Expenditure requirement do not include costs associated with providing basic, individualized, or follow-up career services. The supervision of case managers is not eligible for inclusion in meeting the 40% requirement. Each LWDA must maintain a written process to identify staff and associated costs (salary and benefits) for case management, and to establish a consistent method for accounting and reporting these costs toward the 40% requirement.

One option for accounting for case management staff costs: (1) determine what percentage of each Case Manager's caseload is directly related to training, and (2) apply that same percentage to their salary and benefits to count toward the 40% requirement. It is also acceptable to use hourly timesheets that classify staff time by activity to inform payroll allocation.

Technical Assistance

A. Virginia Works will offer technical assistance to areas that:

a. Did not meet the required expenditure level each year;

b. Would like to improve their ability to provide training services, including refining training provider selection for ITAs and use of non-ITA contracting mechanisms; or

c. Would find it helpful to get guidance on non-ITA procurement methods, including quality control and management of class-size training contracts.

Process for Waiver of 40% Requirement

In accordance with updates to the Code of Virginia § 2.2-2472.2, Virginia Works will provide a waiver to an LWDB upon request.

Any unencumbered funds resulting from a waiver may be directed toward client services, including reemployment services.

Title I Client Services, for purposes of this waiver process, does not include:

1. Costs associated with increasing staff **with the exception** of:
   a. Case management staff that provide direct services to job seekers
   b. Up to one full-time business service team coordinator, if the LWDA does not have a current business services staff member in place.

   Please note that these new hires **can only be put in place** once the LWDA has received an approved waiver request from Virginia Works. A waiver request missing any of the information requested in this VWL will not be considered complete.
2. Operational costs for the AJC
3. Administrative costs for the AJC

Waiver requests should be submitted each Program Year; they will be accepted on a rolling basis beginning July 1 of each Program Year, with the application window closing nine months later, on April 1 of the following year. An exception applies for Program Year 2025 funds, where applications should be received by December 31, 2026. To be approved for a waiver, the requesting LWDB should continue to meet regionally negotiated federal performance levels, remain in good administrative standing, and resolve all monitoring findings as prescribed.

Program Year	Funding Availability	Waiver Request Due
Program Year 2025	July 1, 2025-June 30, 2027	December 31, 2026
Program Year 2026	July 1, 2026-June 30, 2028	April 1, 2027
Program Year 2027	July 1, 2027-June 30, 2029	April 1, 2028

All waivers are subject to changes in state and federal laws.

Waiver Request Content:

To be considered for this waiver, an LWDB should demonstrate that the board is unable to meet the requirement due to one or more of the following:

A. Lack of available training providers in the LWD area

B. Lack of demand for training services among eligible participants

C. Extraordinary Circumstances, such as:

1. The region's unemployment rate has been below the statewide average for the 5 consecutive years preceding the request, or
2. UI applications have declined over the 5 years preceding the request, or
3. The region encountered unanticipated reduction in staff, or
4. A unique opportunity to expand or improve operations (e.g., business services) that requires financial contribution

The waiver request should include:

1. The specific percentage being requested.
2. Signatures of the LWDB Executive Director, LWDB Chair, and Chief Local Elected Official (CLEO)
3. The waiver qualification criteria selected A-C above) and a detailed justification for the request

Please note that an LWDB with an approved waiver from the 40% training requirement is still asked to report spending on the MEDR.

Waiver Request Process:

1. The LWDB submits a waiver request in writing to LWDBinquiries@virginiaworks.gov.
2. Virginia Works will review program performance, administrative standing, and monitoring compliance status.
3. Virginia Works may reach out for additional clarifying information, including relevant data, within thirty (30) days of receiving the waiver request.
4. Once all requested information has been received, the Commissioner will share a decision in writing within thirty (30) days of that receipt.

Waiver Appeal Process:

If a waiver request is denied and the LWDA would like to appeal, Virginia Works asks that the appeal be submitted in writing to the Commissioner of Virginia Works within 15 days of receiving the original waiver determination.

Attachment I: Calculating the Expenditure Level

A. The calculation below helps determine whether the LWDA is meeting the 40% minimum training expenditure:

    The sum of Adult Cumulative Total Training Expenses and Dislocated Worker Cumulative Total Training Expenses, divided by the sum of Adult Program Allocation and Dislocated Worker Program Allocation.

    The program allocation is calculated by subtracting the maximum allowed for administrative expenses per the Federal Award Terms and Conditions from the Notice of Obligation.

   Below is an example of the calculation:

   Example 1: Federal Terms and Conditions allow for a maximum of 10% allocated to Admin

	Notice of Obligation	Maximum Admin Allocation	Program Allocation	Actual Training Expenses	Percentage
Adult	$100,000	$10,000	$90,000	$42,000	40.0% Compliant
DLW	$100,000	$10,000	$90,000	$30,000	

   Calculation: ($42,000+$30,000)/ ($90,000+$90,000) =40.0%

   Example 2: Federal Terms and Conditions allow for a maximum of 20% allocated to Admin

	Notice of Obligation	Maximum Admin Allocation	Program Allocation	Actual Training Expenses	Percentage
Adult	$100,000	$20,000	$80,000	$33,500	39.7% Not Compliant
DLW	$100,000	$20,000	$80,000	$30,000	

   Calculation: ($33,500+$30,000)/ ($80,000+$80,000) =39.7%

B. Other sources of training funds (for example, other discretionary grants) are not included in the calculation.
C. Percentages are calculated to one decimal point.
D. The Adult/DW Training Expenditure Rate is calculated on the Monthly Expenditure Detail Report (MEDR). A percentage is calculated for each Program Year, with the final percentage calculated when the LWDA submits its close-out report for the Program Year.