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**BUREAU OF EMPLOYMENT SERVICES  
 POLICY AND PROCEDURES**

<b>ISSUED ON :</b>	<b>01-25-06</b>
<b>POLICY NUMBER:</b>	<b>06-10</b>
<b>RECISSION:</b>	<b>ACTIVE</b>

**To:** Local Board Directors

**From:** **Melanie Arsenault**, Director  
 Bureau of Employment Services

**CC:** CareerCenter Distribution  
 Service Provider Directors  
 BRS Director  
 BES **Commerce Center-Augusta**

**SUBJECT:** Needs Related Payments for Adult and Dislocated Workers

**BACKGROUND**

The Workforce Investment Act of 1998 provided program guidelines for needs-Related Payments for adult and Dislocated Workers. Under WIA, funds that are allocated to a local workforce area can be used for needs-related payments. [WIA Sec. 134(e)(3)]. Needs-Related Payments provide financial assistance to eligible Adult and Dislocated Workers to enable them to participate in training and education programs.

The Maine Department of Labor, Bureau of Employment Services recognizes that Local Workforce Investment Boards have limited WIA resources and may not choose to provide Needs-Related Payments as a service. Effective **at the start of each program year, July 1, 2005**, if local Workforce Investment Boards (LWIBs) that opt to provide Needs-Related Payments must establish a payment policy for formula funds allocated for Adult and Dislocated worker employment and training activities under the Workforce Investment Act (WIA) Title I-B.

## **POLICY**

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. LWIBs 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.

### **1. Eligibility Requirements**

#### **b) Adults must:**

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

#### **c) Dislocated Workers must:**

- i) Be unemployed, and**
- ii) Have ceased to qualify for unemployment insurance compensation or trade readjustment allowances under TRA or NAFTA-TAA, and**
- iii) Be enrolled in a program of training services under WIA, section 134 (d)(4), by the end of the 13<sup>th</sup> week after the most recent layoff that resulted in a determination of the worker's eligibility for employment and training activities as a dislocated worker; or, if later, by the end of the 8<sup>th</sup> week after the worker is informed that a short-term layoff will exceed six months; or,**
- iv) Be unemployed and not qualified for unemployment insurance compensation or trade readjustment allowances under TRA or NAFTA-TAA.**

## GUIDELINES FOR ISSUING NEEDS-RELATED PAYMENTS

If these eligibility requirements are met, individuals may be awarded Needs-Related Payments from WIA funding prior to the start date of training classes for the purpose of enabling them to participate in programs of employment and training services that begin within 30 calendar days. The Governor may authorize local areas to extend the 30-day grace period to address appropriate circumstances.

1. Level of Payment Determination
  - a. The payment level for adults must be established by the LWIB.
  - b. The level of a Needs-Related Payment made to a Dislocated Worker shall not exceed the greater of:
    - i. The applicable weekly level of unemployment insurance compensation (for participants who were eligible for unemployment insurance compensation as a result of a qualifying dislocation), or
    - ii. If the worker did not qualify for unemployment insurance compensation, the weekly payment may not exceed the poverty level (100 percent of the Lower Living Income Standard Level) for an equivalent period.

The weekly payment level may be adjusted to reflect changes in total family income as determined by Local Board policies.

WIA does not specify a minimum level of payment.

2. Needs-Related Payments Policy Requirements
  - c. LWIBs that approve the use of Needs-Related Payments will need to submit their policy for approval to the Bureau of Employment Services prior to local implementation.
  - d) The policy must address the following issues:
    - i) Determination of level of Needs-Related Payments (payment amount).
    - ii) Can and/or will payments be made to participants on sick, vacation, or holiday leave while in training.
    - iii) What attendance and academic standards will be required for payments to continue and how will this be verified?
    - iv) How many hours/credits must a participant be registered for in order to remain eligible for Needs-Related Payments?
    - v) How will Extended UI benefits affect receiving Needs-Related Payments?
    - vi) Will Needs-Related Payments be suspended during periods of earned income (how will income be calculated?) and will participants have to re-qualify to start receiving Needs-Related Payments again once the income ends?

- vii) Who will have the authority to approve participant requests for Needs-Related Payments and how will the approval process be handled?
- viii) Documentation requirements (see "4")
- ix) If an individual receives Needs-Related Payments at the same time as supportive services from another program/partner, how will this be coordinated and documented?
- x) A thorough and complete description of what the payment processing system must include:
  - xi) Who will handle Needs-Related Payment accounting, and payment processing?
  - xii) What is the maximum limit for Needs-Related Payments per individual?
  - xiii) How will overpayments (or the potential for overpayments) be monitored and recovered?

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.

Needs-Related Payments have been classified as non-taxable income by the I.R.S.

3. Needs-Related Payments Documentation Requirements
  - a. Each Local Workforce Investment Board will be required to specify in their local Needs-Related Payments policy how they will document the requirements for and payments from this program.
  - b. Required documentation includes:
    - i. A copy of a UI entitlement decision or confirmation of UI benefits being exhausted.
    - ii. A copy of request for training classes for each period of training (quarter, semester, class, etc.).
    - iii. Verification of enrollment/registration, participation, grades, and completion of training classes.
    - iv. A signature by the participant attesting to his/her understanding of Needs-Related Payment requirements and instructions.
    - v. All eligibility determinations must be documented.

**DIRECT INQUIRES TO:**

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**EFFECTIVE DATE:**

Immediately upon receipt.