



Workforce Connections General Policies Sufficient Earnings/Self-sufficiency	GEN-050-09
	New – Effective 08-12-19
Policy Approved By: WC Executive Director Policy Adopted on: October 2018	D-P-F 8-13-19

Purpose

To establish self-sufficiency standards for the determination of eligibility for training services authorized under Title I of the Workforce Innovation and Opportunity Act (WIOA). These standards apply to unemployed and underemployed individuals seeking training services.

Implementation of the self-sufficiency standard requires consideration of the following factors:

- The self-sufficiency wage is not a “negotiated” measure. The standard is set to allow for training services to be delivered to underemployed individuals filling the gap between the “income eligible” and the individuals who are making less than the median income. The end result should be employment in a sustainable career pathway.
- Implementation of the self-sufficiency standard necessitates the need to train Title I service providers on appropriate exit strategies. The strategies should meet the needs and goals of the participant as well as provide positive outcomes.
- Although some occupations may start at a rate lower than the established self-sufficiency standard, many occupations have future income possibilities associated with a career pathway.

Background

Federal law, regulations, and State policy require the Local Workforce Development Areas (LWDA) to establish criteria for determining whether an employed or underemployed individual needs WIOA Title I funded services to obtain or retain employment that leads to self-sufficiency. Under Title I of WIOA, an individual may receive training services after an interview, evaluation, or assessment, and career planning if the provider of WIOA Title I services determines that the individual is unlikely or unable, by only receiving career services, to retain employment that leads to economic self-sufficiency or wages comparable to, or higher than, wages from previous employment.

In addition to providing career and training services to individuals who are unemployed, there is a significant number of job seekers who are considered underemployed. These individuals may include:

- Individuals who are employed less than full-time who are seeking full-time employment;
- Individuals who are employed in a position that is inadequate with respect to their skills and training;
- Individuals who are employed who meet the definition of a low-income individual, Sec. 3(36) of WIOA; and
- Individuals who are employed, but whose current job’s earnings are not sufficient compared to their previous job’s earnings from their previous employment.

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Methodology

For the purpose of determining self-sufficiency, Workforce Connections defines self-sufficiency as having an income which allows an individual to meet daily living expenses without government assistance, but less than the median income which defines the midpoint for all incomes. Specifically, the level was chosen so that it lays on the boundary between “middle-income” and “lower-income”.

Typically, when income calculations are carried out for WIOA Title I programs, family income is prevalent. Workforce Connections has chosen to interpret “self-sufficiency” to mean that the **individual** is self-sufficient and hence uses only the individual’s income in the calculation. Also, the standard income calculations typically use family size to scale income limits. To accommodate the individual with dependents, an additional tier was calculated which accommodates individuals with up to four (4) dependents. It should be noted, that the level for self-sufficiency for an individual with dependents was calculated as the average of the four (4) scenarios creating a two-tier table (e.g., self-sufficient without dependents and self-sufficient with dependents). Although, the calculation should accommodate most situations, an exception clause is available to allow for alternate situations and calculations with prior written approval.

The 80% level used when calculating against prior wages was determined by researching best practices nationally.

References

29 U.S.C. Sec. 3174 (C) (3), Public Law (P.L.) WIOA 113-128 Sec. 134, 20 CFR Parts 680 and 683, TEGL 16-16 One-Stop Operations Guidance for the American Job Center Network, TEGL 19-16 Services Provided Through the Adult and Dislocated Worker Programs Under Title I of WIOA, State Compliance Policy (SCP) 1.6, Workforce Connections’ Policies ADW-030-01, ADW-030-02, GEN-050-08, and GEN-050-10

Policy

Workforce Connections has established criteria for sufficient employment earnings as:

- Earnings that provide the individual without dependent(s) with an income before deductions that:
Is greater than \$13.08 per hour; and
Annual income that is greater than \$27,199
or
- Earnings that provide an individual with dependent(s) with an income before deductions that:
Is greater than \$22.11 per hour; and
Annual income that is greater than \$45,978
or
- Earnings that provide the individual an income which is at least 80% of the individual’s income at any prior employment within the prior five-year period.
or
- Exception: Alternate calculation of income and income limits may be authorized on a case-by-case basis with prior written approval by Workforce Connections.

For the purpose of this policy, wages to be considered are those from current employment only.