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TUL 25-07 WIOA Training Expenditure Requirement

GENERAL INSTRUCTIONS

The attached directive is being issued in draft to allow the Workforce Development Community to review and comment prior to final issuance.

Submit any comments by email no later than **Monday, December 15, 2025.**

All comments received within the comment period will be considered before issuing the final directive. Commenters will not be responded to individually. Rather, a summary of comments will be released with the final directive.

Comments received after the specified due date will not be considered.

Email: Lisa.Martinez@tularewib.org

Include "Draft Directive Comment" in the email subject line.

Mail: Workforce Investment Board of Tulare County
Attn: **Lisa Martinez**
309 W. Main St., Ste. 120
Visalia, CA 93291

If you have any questions, contact **Lisa Martinez** at 559-713-5200



DIRECTIVE

Workforce Investment Board of Tulare County

Date: XXXXX

TUL 25-07 WIOA Training Expenditure Requirement:

EXECUTIVE SUMMARY:

This policy provides guidance and establishes the procedures regarding the Workforce Innovation and Opportunity Act (WIOA) training expenditure requirement imposed by Assembly Bill (AB) 1149 and the WIOA Training Expenditures Requirement [WSD 18-10](#), dated January 31, 2019.

This directive is intended for Subrecipient staff, Workforce Investment Board (WIB) staff, and Eligible Training Providers (ETPs) listed on the ETPL and is effective on the date of issuance. Based on the guidance provided in [WSD 18-10](#) issued by the California Employment Development Department (EDD), this local directive has been developed to align with state policy while providing clear local procedures and expectations.

This policy contains state and locally imposed requirements. All locally-imposed requirements are indicated by ***bold, italic*** type. This policy supersedes Workforce Investment Board of Tulare County (WIB), WIA Training Expenditure Requirements TUL 14-05, dated February 18, 2015. Retain this directive until further notice.

REFERENCES:

- WIOA Sections 3(59), 3(60), 134(c)(2)(A)(xii)(I) – (VII), 134(c)(3)(D)(viii), and 134(d)(5)
- Title 29 United States Code (USC) Section 3174(c)(3)(D)
- Title 20 Code of Federal Regulations (CFR) Sections 680.180 - 680.200 and 680.900-680.970
- Title IV of the Higher Education Act of 1965 Section 401
- California Unemployment Insurance Code (CUIC) Section 14211

- AB 1149 (Arambula), Chapter 423, Statutes of 2017
 - Senate Bill (SB) 734 (DeSaulnier), Chapter 498, Statutes of 2011
 - [WSD 19-05](#) Monthly and Quarterly Reporting Requirements Directive (December 4, 2019)
 - [WSD 18-10](#) WIOA Training Expenditures Requirement Directive (January 31, 2019)
 - [TUL 17-02](#) WIOA Title I Adult, Dislocated Worker, and Youth Supportive Services Policy (August 9, 2017)
 - [TUL 20-05](#) Recovery of WIOA Tuition and Training Refunds Directive (June 10, 2020)
 - [TUL 23-04](#) WIB WIOA Eligible Training Provider List Policy and Procedures (November 8, 2023)
 - [TUL 24-08](#) Individual Training Accounts Policy and Procedures (February 19, 2025)
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BACKGROUND:

EDD issued Workforce Services Directive ([WSD](#)) 18-10, which establishes policy guidance applicable to all Local Workforce Development Boards. In alignment with this state directive, this local policy has been developed to ensure compliance and provide clear guidance at the local level.

SB 734 (Chapter 498, Statutes of 2011) added section 14211 to the CUIC. This section imposed training expenditure requirements on Local Boards carrying out Workforce Investment Act, and subsequently WIOA funded programs. Specifically, during Program Years (PY) 2012-13 through 2015-16, Local Boards were required to spend at least 25 percent of their adult and dislocated worker formula funds on training services. Beginning PY 2016-17, this training expenditure requirement increased to 30 percent. SB 734 allowed Local Boards to use seven categories of leveraged funds to receive a credit of up to 10 percent toward meeting their training expenditure requirement. Additionally, it detailed the actions that were required to be taken in the event that a Local Board did not meet the specified requirements.

AB 1149 (Chapter 327, Statutes of 2017) amended the CUIC Section 14211 to expand the types of services to which leveraged funds may be applied, and the types of leveraged funds that may be applied toward the 10 percent credit. In addition to the seven categories of leveraged resources permitted under SB 734, AB 1149 allows the following types of leveraged funds to count toward meeting the 30 percent minimum training expenditure requirement: Temporary Assistance for Needy Families (TANF) funds spent on supportive services, TANF funds spent on transitional and subsidized employment, local, state, or federal funds spent on training or supportive services, and any other public or private funds spent on training or supportive services, for individuals enrolled in training.

POLICY AND PROCEDURES:

Definitions

Note – These definitions apply only to this Directive and the requirements of the CUI Section 14211. They are independent of the definitions provided in WIOA and Workforce Services Directive Monthly and Quarterly Financial Reporting Requirements (WSD19-05).

Cash Contributions – Federal and/or non-federal contributions of funds made available to the subrecipient to be used for training or supportive services. Examples include federal and/or non-federal money received from employers, foundations, private entities, local governments, etc.

In-Kind Contributions – Federal and/or non-federal contributions of non-cash resources used for training or supportive services. Examples include donated personnel, services, or use of equipment or space.

Job Readiness Training – Job readiness training includes services that teach skills needed to be successful in the workplace, rather than skills needed to get into the workplace. It should provide participants with specific occupational competencies needed to perform specific work tasks on the job. For example, job readiness training courses could teach WIOA clients skills such as how to communicate in an office environment, how to function as part of a team, or how to work in a deadline driven workplace. In each of these instances, the focus of the training would be on competencies needed to succeed during the workday while on the job (rather than the skills needed to find and apply for a job).

Job Readiness Training does not include skills needed to find and apply for a job, (e.g., job search, interview, or resume writing skills). Under WIOA Section 134, services that teach skills necessary to find and apply for a job are classified either as basic career services or individualized career services. For example, job search assistance is defined as a basic career service, while group counseling or prevocational services focused on resume writing and interview skills are classified as individualized career services. These types of services do not qualify as training because they do not provide the client with competencies needed to perform specific tasks on the job. As such they do not qualify as training expenditures under the CUI Section 14211.

Leveraged Resources – Federal and non-federal resources (cash contributions and in-kind contributions) used by the subrecipient and/or subrecipient contractor for training or supportive services. Leveraged resources must be allowable and auditable under the WIOA program, and meet the requirements included in the “Leveraged Resources” section of this Directive.

Match – Resources expended to support training or supportive services, if required as a condition of funding. Match resources can be cash match and/or in-kind contribution match. Match resources must meet the requirements included in the “Leveraged Resources” section of this Directive.

Private Entity – any entity that is not a unit of government, including but not limited to a corporation, partnership, company, nonprofit organization, or other legal entity or a natural person. *Subrecipient* – An organization funded directly by the state.

Subrecipient Contractor – An organization funded by the Subrecipient.

Supportive Services – Services such as assistance with transportation, child care, dependent care, housing, uniforms, safety gear, testing fees, tools, books, school supplies, and needs related payments that are necessary to enable an individual to participate in WIOA funded activities.

Training Services – See the “Qualifying Training Services” section of this Directive.

Transitional Jobs – A time-limited work experience that is wage-paid and subsidized, and is in the public, private, or non-profit sectors for those individuals with barriers to employment who are chronically unemployed or have inconsistent work history, as determined by the Local Board. Local Areas may use up to 10 percent of their combined adult and dislocated worker allocations for transitional jobs (DOL Final Rules Section 680.180 - 680.200).

Training Expenditure Requirement

The WIB must spend at least 30 percent of the combined total of their adult and dislocated worker WIOA formula fund allocation on training services. The minimum training expenditure requirement does not apply to the youth WIOA formula fund allocation. The WIB may apply designated leveraged resources used for training and supportive services (up to 10 percent of the combined total of their adult and dislocated worker formula fund allocation) toward meeting the minimum training expenditure requirement. See the “Leveraged Resources” section of this Directive.

The training expenditure level for each Local Board after the two-year availability period of the funds is in the “Procedures” section of this Directive.

Calculating the Required Training Expenditure Level

The following examples display how a Local Board would calculate their required training expenditure level:

- Example 1 – A Local Board met the 30 percent training expenditure requirement using adult and/or dislocated worker formula funds combined with leveraged resources.

In PY 2017-18, the Local Board received \$1,000,000 in WIOA adult formula funds and \$2,000,000 in WIOA dislocated worker formula funds.

Total adult and dislocated worker formula fund allocation

(Calculation: \$1,000,000 + \$2,000,000) \$3,000,000

Training expenditure requirement

(Calculation: \$3,000,000 X 30%) \$900,000

Leveraged resources applied to training expenditure requirement

(Calculation: \$3,000,000 X 10%) (\$300,000)

Required formula fund training expenditure

(Calculation: \$900,000-\$300,000) (\$600,000)

In this first example, the Local Board must spend at least \$600,000 of WIOA adult and/or dislocated worker formula funds on training services. There is no requirement that a specific amount be spent from each allocation (WIOA adult vs. WIOA dislocated worker), therefore the \$600,000 could be WIOA adult funds, WIOA dislocated worker funds, or a combination of both.

- Example 2 – A Local Board met the 30 percent training expenditure requirement using WIOA adult and/or dislocated worker formula funds only (no leveraged resources).

In PY 2017-18, the Local Board received \$1,000,000 in WIOA adult formula funds and \$2,000,000 in WIOA dislocated worker formula funds.

Total adult and dislocated worker formula fund allocation

(Calculation: \$1,000,000 + \$2,000,000) \$3,000,000

Minimum training expenditure requirement

(Calculation: \$3,000,000 X 30%) \$900,000

In this second example, the Local Board is not using any leveraged resources to meet the training expenditure requirement, and therefore must spend at least \$900,000 of WIOA adult and/or dislocated worker formula funds on training services. There is no requirement that a specific amount be spent from each allocation (WIOA adult vs. WIOA dislocated worker) therefore the \$900,000 could be WIOA adult funds, WIOA dislocated worker funds, or a combination of both.

Qualifying Training Services

In order to be applied toward the training expenditure requirement, training services must meet the following criteria:

1. Must be provided to WIOA adult or dislocated worker participants enrolled in a training activity in CalJOBSSM.
2. Must meet the definition of training services provided in WIOA Section 134(c)(3)(D):
Training services may include the following:
 - a. Occupational skills training, including training for nontraditional employment.
 - b. On-the-job training.
 - c. Incumbent worker training.
 - d. Programs that combine workplace training with related instruction, which may include cooperative education programs.
 - e. Training programs operated by the private sector.
 - f. Skill upgrading and retraining.
 - g. Entrepreneurial training.
 - h. Transitional jobs. *
 - i. Job readiness training provided in combination with any of the services in (a)-(h).
 - j. Adult education and literacy activities provided concurrently or in combination with any of the services in (a)-(g).
 - k. Customized training conducted with a commitment by an employer or group of employers to employ an individual upon successful completion of the training.

* Note – The Department of Labor (DOL) clarified that a transitional job is an individualized career service and should be reported as an individualized career service for federal financial and performance reporting. For the purposes of this Directive, any funds spent on transitional jobs will be counted towards meeting the minimum training expenditure requirement under state law.

3. Must meet the definition of a training service as provided in Title 20 CFR Section 680.420:

A program of training services is one or more courses or classes, or a structured regimen that provides the services in Title 20 CFR Section 680.200 and leads to one of the following:

- a. An industry-recognized certificate or certification, a certificate of completion of a registered apprenticeship, a license recognized by the state involved or the federal government, an associate or baccalaureate degree.
- b. A secondary school diploma or its equivalent.
- c. Employment.

- d. Measurable skill gains toward a credential described in (a) or (b) above, or employment.
- 4. Must pass the following three-pronged test:
 - a. Is the service defined as a basic or individualized career service under WIOA? If so, the service cannot be counted toward the training expenditure requirement.
 - * Note – For the purposes of this Directive, any funds spent on Transitional Jobs (**using Adult or DW funds**) will be counted towards meeting the minimum training expenditure requirement per state law.
 - b. Is the service defined as training under WIOA section 134(c)(3)(D)? If so, the service can be counted toward the training expenditure requirement.
 - c. Is the service not listed under WIOA section 134(c)(3)(D) but meets the definition of training in Title 20 CFR Section 680.420? If so, the service can be counted toward the training minimum.

The determining factors are whether the services are provided through a structured learning process and whether this learning process leads to the attainment of skills or competencies needed to perform work duties during the course of the workday. In summary, the service should lead to employment and/or greater labor productivity on the job.

Leveraged Resources

Allowable Leveraged Resources

The WIB may apply leveraged resources spent on training and supportive services toward meeting a portion of their minimum training expenditure requirement (an amount of up to 10 percent of their adult and dislocated worker formula fund allocation). **The WIB** may apply only the leveraged funds listed below as part of the 10 percent credit:

1. Federal Pell Grants established under Title IV of the Higher Education Act of 1965.
 - a. ***This data will be collected from the customer by Subrecipient staff to upload in the customer's file, in accordance with [TUL 24-08 Individual Training Accounts Policy and Procedures](#), or the most current directive.***
 - b. ***ETPL Providers will provide the WIB with the names, amounts, and disposition of all grants including Pell grants received by the students attending WIOA funded training in accordance with [TUL 20-05 Directive of Recovery of WIOA Tuition and Training Refunds](#), or the most current directive.***
2. Public programs authorized by the Workforce Innovation and Opportunity Act of 2014 (e.g., Job Corps, Migrant and Seasonal Farm Worker, Rapid Response, WIOA Title II Adult

Education and Literacy, national and state WIOA discretionary grants, WIOA youth program, etc.). This category of leveraged resources does not include WIOA adult and dislocated worker formula funds.

The WIB is permitted to apply youth formula funds expended on training for individuals ages 18-24 as a leveraged resource if: (1) the individuals are co-enrolled in either the WIOA adult or dislocated worker program, and (2) the training meets all requirements set forth in this Directive.

3. Trade Adjustment Assistance.
4. Department of Labor National Emergency Grants.
5. Match funds from employers, industry, and industry associations (including the employer paid portion of customized training, the wages of an apprentice during the apprenticeship period, and the employer paid portion of on-the-job training). Note – Match funds from the employer paid portion of on-the-job training may only include the employer's cost attributed to the participant's training. See *reference* to Attachment 2, of the [WSD 18-10](#) Summary of Leveraged Resources for further details.
6. Match funds from joint labor-management trusts.
7. Employment Training Panel grants.
8. Supportive services as defined by WIOA and the corresponding sections of the CFR, but only for those individuals enrolled in training services for occupations in demand by industry, as defined in Section 3174(c)(3)(D) of Title 29 of the United States Code and the corresponding sections of the CFR. Supportive services may include, but are not limited to, the costs of trainees' or students' books, safety and lab equipment, tools and any payment of costs permitted under WIOA rules and corresponding regulations pertaining to supportive services expenditures, including the rule that these supportive services costs are necessary for the individual to participate in training. Refer to [TUL 17-02 WIOA Title I Adult, Dislocated Worker, and Youth Supportive Services Policy](#) or the most *current Directive*.
9. TANF funds spent on supportive services as defined by WIOA and the corresponding sections of the CFR, for TANF enrolled individuals co-enrolled in and receiving training services for occupations in demand by industry through WIOA. Supportive services may include, but are not limited to, the costs of trainees' or students' books, safety and lab equipment, tools and any payment of costs permitted under WIOA rules and corresponding regulations pertaining to supportive services expenditures, including the rule that these supportive services costs are necessary for the individual to participate in training.
10. TANF funds spent on transitional and subsidized employment for TANF enrolled individuals co-enrolled in and receiving training services through WIOA.

11. Any other local, state, or federal funds (***including Specialized Workforce grants as applicable***) spent on training or supportive services for individuals enrolled in training, provided the individuals are enrolled in WIOA for performance reporting and tracking purposes.
12. Any other public or private funds source, approved by the California Workforce Development Board (CWDB) used to provide training or supportive services to individuals enrolled in training, provided the individuals are enrolled in WIOA for performance reporting and tracking purposes. Local Areas seeking approval for funds under this category must submit a letter to the CWDB. The CWDB will respond with a decision in writing within ten days. Letters must be emailed to the CWDB's Policy Unit at CWDBPolicyUnit@cwdb.ca.gov.

Shared Leveraged Resources Among Local Boards

If the WIB uses leveraged resources to subcontract with another Local Board to obtain training services, those funds cannot be counted by both parties toward meeting the training expenditure requirement. It is the responsibility of the Local Boards to negotiate and decide which Local Board will account for the expenditure towards meeting the training expenditure requirement.

- Example 1 – Local Board A sub awarded \$25,000 in National Dislocated Worker Grant funds to Local Board B to provide training services. The participants served by the \$25,000 were co-enrolled by both Local Areas.

In this scenario, either Local Board A or Local Board B can apply the \$25,000 as leveraged funds toward meeting the training expenditure requirement. They both cannot apply the \$25,000.

- Example 2 – Local Board A sub awarded \$30,000 in WIOA adult and/or dislocated worker formula funds to Local Board B to provide training services. The participants served by the \$30,000 were co-enrolled by both Local Areas.

In this scenario, only Local Board A can apply the \$30,000 of formula funds toward meeting the training expenditure requirement. Local Board B cannot apply the \$30,000 as leveraged funds since WIOA adult and dislocated worker formula funds are not one of the leveraged resources authorized under the CUIC Section 14211.

Reporting Leveraged Resources

The WIB is not required to use leveraged resources toward meeting the minimum training expenditure requirement. However, if the WIB does choose this option, they must report all

leveraged resources applied as part of the 10 percent credit in Attachment 2, of the [WSD 18-10](#) Summary of Leveraged Resources.

All leveraged resources reported under this Directive must also be included in the amounts reported under Section VII, Miscellaneous Items, of the WIOA Summary of Expenditures Report (see [WSD 19-05](#), Monthly and Quarterly Financial Reporting Requirements).

Recordkeeping Requirements

The WIB is required to keep and maintain sufficient records of the leveraged resources which can be independently verified by the EDD. Any records of leveraged resources that cannot be verified will be removed from the Local Board's Summary of Leveraged Resources report and may result in failure to meet the minimum training expenditure requirement.

The EDD does not specifically define what would be classified as sufficient records. However, some examples of documentation that could qualify as sufficient records would include the following:

- A commitment letter or written agreement from an employer or training provider.
- A training agreement with an employer detailing the employer's contribution.
- A copy of the Pell Grant award letter or relevant correspondence from the school.
- An executed worksite agreement and participant time record.
- A participant progress report and/or evidence of completion.

This list is not all inclusive. In accordance with [WSD 18-10](#), the WIB has the discretion to determine what constitutes sufficient records. ***The Subrecipient must also ensure the customer's file has a record of the supporting documentation, refer to the Procedures section.***

Costs arising from the recordkeeping required to demonstrate compliance with leveraged resources requirements are the responsibility of the WIB.

Procedures

To ensure accurate reporting of leveraged resources and compliance with WSD 18-10, Subrecipients are required to submit quarterly expenditure data beyond the submitted monthly cash request. This process captures expenditures tied to Specialized Workforce grant-funded activities, such as transitional jobs and support services, provides additional details and supporting documentation, and provides back-up documentation for training that the WIB will report to the state. The purpose is to maintain transparent financial reporting, demonstrate leveraged investment in workforce services, and support performance accountability at the state and local level. The WIB will provide a standardized template for Subrecipients, based on contract budgets, to use when submitting quarterly data.

Subrecipient and WIB Responsibility:

1. Data Collection

- *Subrecipients must collect and submit expenditure data for transitional jobs and/or applicable support services for the reporting quarter.*
- *The entity responsible for providing On-the-Job Training (OJT) services is responsible for accurately reporting all associated training expenditure data, including required training match.*
- *Required data elements must include, but are not limited to:*
 - *Site*
 - *Customer Name*
 - *State ID (CalJOBS)*
 - *Employer Name (if applicable)*
 - *Amount Expended*
 - *Quarter dates expended*
 - *Identify if the activity is a Transitional Job, OJT, or Support Service.*
 - *Type of Support Service (if applicable)*
 - *Funding source*
- *Data must align with CalJOBS customer files to ensure consistency in reporting.*
- *All reporting data must be for customers enrolled in WIOA Adult or DW services.*

2. Submission Timeline

- *Quarterly expenditure reports must be submitted to the WIB by 10th of the following month for each reporting quarter.*
- *Data must be submitted to the appropriate WIB fiscal and program staff.*

3. Review and Verification

- *The WIB will review submissions for accuracy and completeness.*
- *Discrepancies or missing information will be returned to the Subrecipient for correction.*

4. Final Reporting

- *Verified data will be compiled by the WIB for inclusion in the state reporting form, [WSD 18-10](#) Attachment 1, Summary of Leveraged Resources, in compliance with [WSD 18-10](#).*

EDD Responsibility:

The EDD will calculate training expenditures for each Local Board within six months after the end of the second program year of the two-year availability period of funds. The EDD will notify the CWDB whether each Local Board met their respective minimum training expenditure requirement.

- WIOA Adult and Dislocated Worker Formula Funds

The EDD will use the information provided in Section V, lines 5a (WIOA Training Payments), 5c (WIOA Training Supportive Services), and Section VII, line 7 (Transitional Jobs Expenditures) of the WIOA Summary of Expenditures Report to calculate training expenditures of formula funds.

Transitional Jobs expenditures must be reported on the WIOA Summary of Expenditures Report ([WSD19-05](#) - Attachment 1) under Section VII. Miscellaneous Items (Admin and/or Program), line 7 (Transitional Jobs Expenditures). Transitional Jobs expenditures must not be reported in Section V, lines 5a (WIOA Training Payments) and 5c (WIOA Training Supportive Services). Failure to properly report Transitional Jobs expenditures will result in inaccurate reporting (Transitional Jobs expenditures being counted twice).

- **Leveraged Resources**

The WIB may apply leveraged resources toward the minimum training requirement must submit a signed copy of [WSD 18-10](#) Attachment 2, Summary of Leveraged Resources, to the EDD no later than the August 1st following the end of the two-year period of fund availability. Local Boards may email the completed summary to the Branch Financial Management Unit at WSBFinancialManagementUnit@edd.ca.gov.

Corrective Action

Should the WIB not meet the minimum training expenditure requirement, they will be required to submit a corrective action plan to their EDD Regional Advisor that provides reasons for not meeting the requirement and actions the Local Board will take to address the training expenditure deficiencies. The corrective action plan will be due within 90 days of receiving EDD notification that the Local Board did not meet the training expenditure requirement. The Local Board's corrective action plan must be submitted by email to their assigned Regional Advisor. Successful Corrective Action Plans typically contain (at a minimum) the following elements:

- What was your total (adult and dislocated worker) training expenditure level for the program year?
- What is your plan to meet the 30 percent minimum training expenditure requirement for the current program year? (What will you do differently than the prior program year?)
- What strategies did you use in order to leverage resources from training and supportive services?

- Monitoring and tracking the training expenditures throughout the year is essential in order to meet the minimum training expenditure requirement. What strategies are you using to monitor and track your training and supportive services expenditures?
- What strategies, if any, did you use to procure service providers to meet the 30 percent minimum training expenditure requirement?
- What, if any, are your technical assistance needs that must be addressed in order to meet the 30 percent minimum training expenditure requirement?

Should a Subrecipient fail to meet the established training enrollment or expenditure goals, they will be required to submit a Corrective Action Plan to the WIB in accordance with the Subrecipient agreement, detailing the specific actions they will take to address the deficiencies.

ACTION:

Bring this Directive to the attention of Subrecipient staff, WIB staff, and Eligible Training Providers (ETPs) listed on the ETPL.

INQUIRIES:

Please direct inquiries regarding this Directive to the WIB at (559) 713-5200.

Jennie Bautista

Interim Executive Director

The Workforce Investment Board of Tulare County is an equal opportunity employer/program. Auxiliary aids and services are available upon request to individuals with disabilities.
