



Policy: Needs-Based (Related) Payments System

Number: WIOA 01-09 (Rev. 4 May 29, 2024)

Effective: July 1, 2001

POLICY AND PROCEDURE DIRECTIVE

I. Background

Needs-based/Needs-related Payments (NBP) are allowable under the Workforce Innovation and Opportunity Act (WIOA) to enable an individual to participate in training activities. NBP provide resources to assist the individual in meeting their need for living expenses such as food and lodging. NBP is intended to be used in coordination with Pell grants, State Needs grants, Training Completion Assistance (from Worker Retraining funds), and other sources of support for classroom-based vocational and basic skills training.

II. SYSTEM ELEMENTS

- A. Needs-Based Payments are available to WIOA participants who meet the following requirements in (a) or (b) as follows:
 - a) Be unemployed, and:
 - i) Have ceased to qualify for unemployment compensation or trade readjustment allowance under TAA ; and
 - ii) Dislocated Workers must be enrolled in a program of training services under WIOA by the end of the 13th week after the most recent layoff that resulted in a determination of the worker's eligibility as a dislocated worker, or, if later, by the end of the 8th week after the worker is informed that a short-term layoff will exceed 6 months; **or**
 - b) Be unemployed and not qualify for, or have exhausted unemployment compensation or trade readjustment assistance under TAA .
- B. NBP recipients must participate in 20 or more hours per week (unless a written administrative waiver has been granted) of classroom or other occupational or educational skill training components that have a predetermined content, e.g., customized training, Vocational Exploration Program; and
- C. NBP recipients must not have or be a member of a family that provides ongoing income and resources at or above the Needs-Based Payments level.

- D. The amount that an individual may receive is \$4200 for one quarter (13 weeks) of school. Payments may start in the middle of one quarter and end in another but in no circumstance may the maximum amount paid to the individual exceed \$4200. Needs Based Payments will be paid every two weeks at a rate of \$646. The last and thirteenth week will be paid at a rate of \$323.
- E. Needs Based/Related Payments are available as funding permits.
- F. Initial verification of the participants “included” and “excluded” income and the identification of other support resources will minimize fraud. See 1.2 below. Should fraudulently obtained payments occur, standard debt collection procedures through Small Claims Court will apply in accordance with any appropriate Federal, State and local statutes. Any alleged fraudulent activity identified or suspected while monitoring must be reported immediately to the Office of Inspector General as provided in 20 CFR 667.630.
- G. Staff will submit necessary forms (*Needs Based Payment Request, Attendance Verification for Needs Based Payments, and Eligibility Determination for Needs Based Payments*) to program management staff for approval. Once approved, the documents are forwarded to Fiscal who will handle payments and accounting.
- H. In order for a participant to be authorized to receive a NBP, staff must submit the Attendance Verification for Needs Based Payment on a bi-weekly basis to Fiscal. The completed form must be initialed by staff and signed by the participant and instructor. Additionally, all questions on this form must be answered. The completed form will be processed for payment at the rate identified in NWC policy and mailed to the participant.
- I. To verify an individual has exhausted Unemployment Insurance (UI), a copy of the UI entitlement decision or confirmation of UI benefits being exhausted should be obtained. A printout of the current WIA001 screen for the participant will also verify UI is exhausted.

III. DETERMINATION OF FINANCIAL ELIGIBILITY FOR NEEDS-BASED PAYMENTS

- A. Eligibility for Needs-Based Payments is determined at the same time the participant requests it.

Eligibility for Needs-Based Payments is, however, not the same as eligibility for WIOA. Eligibility is not based on a compilation of includable income over the six (6) months prior to application. Eligibility is established by determining that the applicant or participant will not have adequate *ongoing* resources or income from **all sources** to support him/her while in training without receiving Needs-Based Payments. This test of present and prospective resources establishes participant **need**.

Further, registered WIOA participants who do not qualify or have ceased to qualify for

unemployment compensation may be provided Needs-Based (Related) Payments. To be eligible for such payments, an eligible WIOA participant who has ceased to qualify for unemployment compensation must be enrolled in a program of WIOA training services by the end of the 13th week after the most recent layoff that resulted in a determination of the worker's eligibility as a dislocated worker, or, if later, by the end of the 8th week after the worker is informed that a short-term layoff will exceed six (6) months.

All potential sources of income must be included in order to establish financial eligibility for Needs-Based Payments. A review must include both current and prospective family monthly income sources and other current and potential funding resources, including supportive services from another program/partner, e.g., TANF, Pell Grants, etc., and match these to the applicants' need.

If combined, these resources do not provide income at or above the monthly needs-based eligibility level in 1.2 below, the individual is eligible for needs-based payments.

- B. The process for determining eligibility for Needs-Based Payments is as follows:
- a) Identify all current/projected family income sources from all family members;
 - b) Compute monthly projected family income by adding all sources;
 - c) Be at or below 200% of the federal poverty guidelines:

Federal poverty income guidelines are adjusted yearly and may be accessed at:

<https://www.doleta.gov/llsilb/>

- C. Applicants with family income in excess of these amounts are not eligible for Needs-Based Payments. Applicants receiving UI benefits are not eligible regardless of whether or not their grant benefit amount is less than the above amounts. Applicants with family income less than these amounts may be eligible for Needs-Based Payments.
- D. Compare applicant needs with community resources, (e.g., Pell Grants, State Need Grants, Worker Retraining funds). Identify and explore all possibilities for securing income from these resources. Refer applicants to appropriate sources and document outcomes through a follow-up contact.
- E. If other resources can provide immediate income, the applicant is ineligible for Needs-Based Payments.
- F. If other resources require a waiting period to establish or review applicant eligibility, the applicant is eligible for Needs-Based Payments pending the outcome of this process. If other resources cannot supply sufficient support, the applicant is eligible for Needs-Based Payments.
- G. In computing resources available to support the applicant during training, do not count resources utilized specifically for training-related expenses. Example:

When a participant in Institutional Training has a Pell Grant or student loan for \$700 for the school quarter, and is utilizing \$600 of it for tuition, books, school supplies, childcare during training or transportation to school, only \$100 would be considered for determining eligibility for NBP.

When a program participant receives a Pell Grant award, that portion of the Pell Grant not being spent on direct educational expenses (Tuition, books, travel, etc.) must be considered as an income resource when computing eligibility for Needs-Based Payments. Although the Pell Grant award is usually made in lump sum amounts, it must be pro-rated over the school term it covers. The period of time that the Grant will cover living expenses will be determined by dividing the Pell Grant amount by the weekly Needs-Based Payment amount that the participant would receive. After this period, the participant could be re-certified eligible for Needs-Based Payments. Example:

A student receives a Pell Grant in the amount of \$1300 for the period September through December (17 weeks). The participant has one dependent and would normally receive \$96 per week in Needs-Based Payments. The Pell Grant, at the \$96/week rate, would cover thirteen and a half weeks of the 17-week period. Needs-Based Payments could be made for the remaining 3.5 weeks or until the next Grant check was received.

Any necessary documentation or work sheets or resources utilization should be attached to the Needs-Based Payments Eligibility Determination Form.

IV. CONDITIONS

- A. Department of Labor classifies NBP as a type of supportive service. As such, staff must follow the protocols for requesting supportive services which include researching and securing supports other than IB funds prior to making an NBP request. (Refer to section III. A. above.) Participants may receive outside funds in addition to NBP if the result of community and or partner funding results an income level at or below 200% of the poverty level. Results of the research must be documented in the MIS system.
- B. The Attendance Verification for NBPs must be completed biweekly including the questions on the back regarding income which would affect the receipt of a Needs-Based Payment. An increase of net income (earned or otherwise, including supportive services from another program/partner) which results in an income level that exceeds the Needs-Based Guidelines (at or below 200% projected of the federal poverty guidelines) will be cause for nonpayment for that period. Payments will resume when the income is again at or below 200% projected of the federal poverty guidelines.
- C. Participants who are initially ineligible for Needs-Based Payments may at any time (if family

income is reduced) request a re-determination of the eligibility.

- D. Any deviation from this policy due to special or undefined circumstances requires the written submission of a waiver request to the administrative entity.
- E. Any time missed during a scheduled training day when the fault is not that of the training institution will result in the loss of the payment for the entire day. This includes time missed as a result of illness.
- F. Excess absenteeism of two (2) days per month or six (6) days per quarter may result in immediate termination or suspension from training support and Needs-Based Payments.
- G. Needs-Based Payments will continue during school holidays and vacations except for summer recess.

Attachments

- Eligibility Determination for Need Based Payments
- Needs Based Payment Request
- Attendance Verification for Needs Based Payments