

North Central Workforce Development Area

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LOCAL DIRECTIVE

Directive #: <u>17-158 (REV 3)</u> Date: <u>October 1, 2020</u>

TO: SkillSource Staff and Service Providers

FROM: Dave Petersen, Executive Director

SUBJECT: Self Sufficiency & Under Employed

SUPERCEDES: Directive 17-158 (REV 2)

Summary of Revisions:

- Replaced “intensive” with “career”
 - To clarify definition, replaced “college” with “bachelor’s” degree
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BACKGROUND

Adults and Dislocated Workers who are employed at the time of application may be eligible to receive career and training services to obtain or retain employment that leads to self sufficiency. In order for an employed individual to be eligible, they must be considered “not self-sufficient” or for the purposes of this directive, “under-employed”.

DEFINITION

The Council approved the definition of under-employed to be: “an employed worker whose individual income is equal to or less than 175% of the LLSIL for a family size of one and has no bachelor’s degree.”

In other words, for an employed individual to be considered self-sufficient, their individual income for the previous 6 months must be greater than 175% of the poverty level for a family size of one. Or, if an individual’s income falls below the 175%, but they have a college degree, they would still be considered self sufficient, and therefore, eligible for Basic and Individualized Career services only.

“Employed” is defined as a person working 24 or more hours per week.

NOTE: Employed individuals receiving food stamps or are basic skills deficient in Reading or Math are considered to be under-employed regardless of their individual income or post-secondary credential.

CALCULATING SELF SUFFICIENCY

For Adults, self sufficiency is determined by calculating the individual's actual earnings over the prior 6 months from the date of application and comparing that amount to the poverty guidelines.

For Dislocated Workers working less than six months since the time of dislocation, calculate self sufficiency by annualizing the individual's earnings since the time of dislocation. (Amount of total earnings since dislocation divided by the number of months worked multiplied by 12). If the individual has worked for 6 months or more since the time of dislocation, use actual earnings for the 6 month period.

DETERMINING PRIORITY LEVEL FOR ADULT CUSTOMERS

If an employed adult is determined under-employed, the next step is to determine their priority. Priority level is determined by calculating the household family income compared to family size. Under-employed individuals in a household priority level 1-5 may receive career and training services regardless of their family income (priority level).

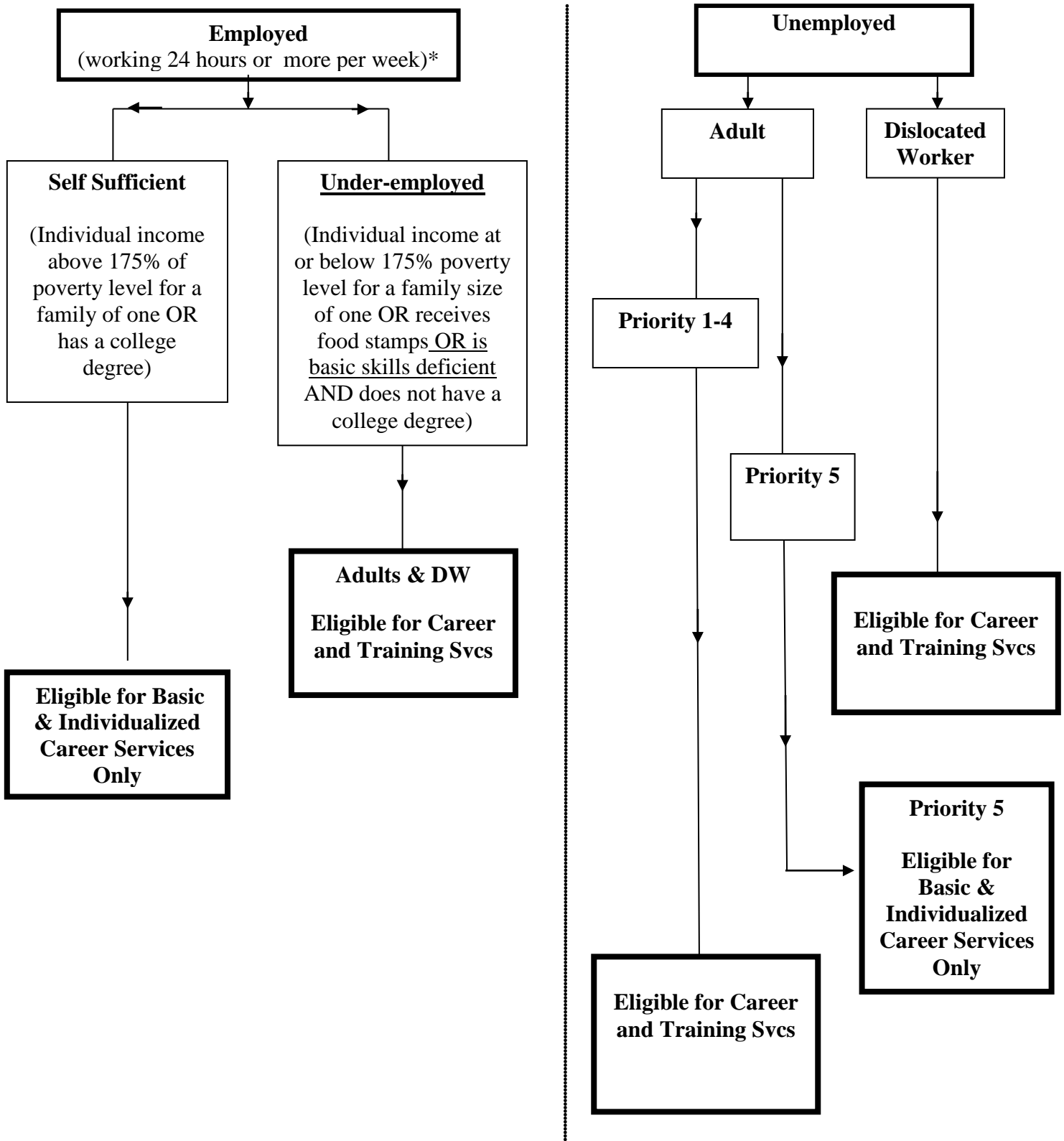
NOTE: All dislocated workers determined to be under-employed are eligible to receive career and training services and are not included in priority levels.

TRAINING AND WAGE PROGRESSION FOR UNDEREMPLOYED

In order to provide OJT for an underemployed worker, the following must apply:

- 1) the individual is under-employed at the time of application.
- 2) the new OJT provides training in a new job that introduces new technologies, new production or service procedures or requires additional skills or workplace literacy. (20 CFR 663.705 (c)).
- 3) the starting OJT wage is at least 90% of the current self sufficiency wage rate.
- 4) If less than the self - sufficiency wage rate, the employer provides a wage progression plan which outlines future pay increases until the individual reaches self sufficiency rate, which shall be no more than two years after OJT completion.
- 5) the plan is to be submitted to the managing director for review prior to committing an OJT contract.

Services for Unemployed, Under-employed & Self Sufficient



* Definition of employed is for the purposes of determining self sufficiency. If a person is working 24 hours or more per week at the time of application, they are considered employed (only for the purposes of determining self sufficiency)