



**Workforce Alliance (WA) Local Workforce Development Board (LWDB)
Executive Committee Meeting Agenda**

Join Zoom Meeting: <https://us02web.zoom.us/j/82758023916>

Wednesday, August 10, 2022

11:30 a.m. –12:00 p.m.

1. **Welcome and Introductions:** Jeff Longwell (11:30)

2. **Workforce Innovation and Opportunity Act (WIOA) Adult, Dislocated Worker and Youth Program Policies: Self-Sufficient Wage Increase:** Denise Houston (11:35) (pp. 2-4)
The Workforce Alliance is reviewing adoption of an economic self-sufficiency standard for the local area, and staff was directed by the Board to conduct additional analysis.
Recommended Action: Adopt Option Two as presented.

3. **On-the-Job Training (OJT) Contract for the Eligible Training Provider List (ETP) – BG Products:** Mary Mann (11:45) (p. 5)
BG Products has submitted an application to be added to the ETP list for OJT.
Recommended Action: Approve the addition of BG Products to the OJT ETP list.

4. **Adjourn:** Jeff Longwell (12:00)

*The next LWDB Executive Committee Meeting / Roundtable is scheduled for
Wednesday, September 14, 2022 at 11:30 a.m.*

Item

Proposed Policy Revisions-Self Sufficient Wage

Background

The Workforce Innovation and Opportunity Act (WIOA) tasks the Local Workforce Development Board (LWDB) with setting an economic self-sufficiency standard for the local area. The self-sufficient wage for LAIV has not been updated since 2010. The current self-sufficient wage is \$12.02 per hour for the Adult and Youth programs and \$15.38 per hour for the Dislocated Worker (DW) program. The current standards were developed from the Average Wage performance measure under the Workforce Investment Act. This performance measure no longer exists under WIOA.

Since it has been many years since the self-sufficient wage has been updated, it is time to review and update this standard. When evaluating the standard, the LWDB must use data to set the standard. Staff has reviewed tools available and proposes using the MIT Living Wage Calculator to set the standard. The MIT Living Wage Calculator estimates the cost of living in a community or region based on typical expenses. The tools assist in determining a local wage rate that allows residents to meet minimum standards of living. The data is updated annually in the first quarter of the new year. The Program Operations and Performance (POP) Committee and Local Workforce Development Board (LWDB) discussed this issue at their most recent meetings, and directed staff to conduct additional analysis.

Analysis

The self-sufficient wage impacts customers' ability to access training services. In order to be eligible for training services, the customer must need training to obtain or retain employment that leads to self-sufficiency. Customers who are employed at wages that are higher than the self-sufficient wage are not eligible for training services. Increasing the self-sufficient wage would allow more customers to take advantage of training services. Additionally, when customers are reviewing training options, one of the factors considered is if the employment opportunity at the completion of the training will lead to a self-sufficient wage. Training services include post-secondary training, occupational skills training, registered apprenticeship, and on-the-job training. In Program Year 2021, 365 customers attended training that considers the self-sufficient wage when determining whether a customer can participate in training services. The majority of these customers were Dislocated Workers and One Workforce customers. There were 15 WIOA Youth customers enrolled.

A review of current Work Based Learning contracts was conducted to determine the potential impact of increasing the self-sufficient wage. There are 22 active Work Based Learning contracts. The review found that if the self-sufficient wage was increased to \$15.60, four companies would not meet the criteria, eight would meet the criteria, and 10 might meet the criteria depending on the occupation.

The self-sufficient wage also impacts performance. In particular, the Median Wage performance measure. This measure evaluates the median wage of customers in the second quarter after exit. If the self-sufficient wage is set too low, the Local Area will not meet the Median Earnings measure. Kansas just received performance goals for the next two program years and the Median Earnings goal increased for both Adults and Dislocated Workers.

The MIT Living Wage calculator provides data at the county and Metropolitan Statistical Area (MSA) levels. The living wage for a single adult with no children for each county in LAIV is as follows:

- Butler County: \$15.91 per hour or \$33,093 per year
- Cowley County: \$15.76 per hour or \$32,781 per year
- Harper County: \$15.75 per hour or \$32,760 per year
- Kingman County: \$15.22 per hour or \$31,658 per year
- Sedgwick County: \$15.91 per hour or \$33,093 per year
- Sumner County: \$15.43 per hour or \$32,094 per year
- Wichita MSA: \$15.60 per hour or \$32,448.00 per year

After reviewing the data, staff proposes setting the self-sufficient wage at the Wichita MSA living wage for a single adult with no children; \$15.60 per hour or \$32,448.00 per year, and reviewing it annually. The updated policy would include an administrative exception on a case by case for participating in certain training programs for entry level positions that lead to higher wage jobs, and work experience or transitional jobs targeting a specific demographic population.

Two options developed by staff based on previous conversations are below:

Option One:

- Authorize exceptions to the self-sufficient wage
- Revisit this standard yearly with Demand Occupations
- Increase Dislocated Worker self-sufficient wage to \$15.60 per hour for Program Year 2022
- Implementational increase of self-sufficient wage over the next couple of program years

WIOA Youth:

- Program Year 2022: \$13.50 per hour or \$28,080.00
- Program Year 2023: \$14.50 per hour or \$30,160.00
- Program Year 2024: \$15.60 per hour or \$32,448.00

WIOA Adult:

- Program Year 2022: \$14.50 per hour or \$28,080.00
- Program Year 2023: \$15.60 per hour or \$32,448.00

Option Two:

- Authorize exceptions to the self-sufficient wage
- Revisit this standard yearly with Demand Occupations
- Increase self-sufficient wage for all programs to \$15.60 per hour for Program Year 2022

From the feedback from the POP and LWDB meetings research of the topic, staff recommend adoption of Option Two for Program Year 2022.

Supports Strategic Goal:

- Meet or exceed the negotiated performance of WIOA Title I programs to maximize community impact
- Proactively approach the employment and skills training challenges and opportunities of the future with energy and planning today

Recommended Action

Adopt Option Two as presented.

Item

On-the-Job Training (OJT) Contracts for the Eligible Training Provider List (ETP)

Background

1. Approval of Addition to the ETP List for OJT

The following employer has submitted an application to be added to the ETP list for OJT.

Employer:	BG Products, Inc.
Company Description:	Automotive Fluid Manufacturer
Location:	Wichita, Sedgwick County
Occupation(s):	Production
Training Length:	TBD
Average Wage Range:	\$15.00
Benefits:	Full benefit package
Comments:	BG Products, Inc. has 35 open requisitions, many with multiple openings. Partnering with the Workforce Alliance of South Central Kansas will assist in both upskilling existing workforce and skilling up new employees. This partnership will provide support and benefit to all three locations, El Dorado, Wichita and Derby, .
OJT Funding Streams <i>subject to availability</i>	All Funding streams are available and appropriate based on occupation and new hire eligibility requirements.

Recommended Action

*Approve the addition of **BG Products, Inc.** to the OJT ETP list.*