

## WIA TITLE I AND RELATED ACTIVITIES MANUAL

### Chapter 13: Dislocated Worker Programs

#### Section: 13.25: Service Costs and Allowable Skills Training for the Airlines Project Grant

**Effective Date:** November 15, 2006

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#### Required Action

**Action:** Pursuant to the request of the Workforce Service Areas (WSAs) and the Independent Service Providers (ISPs), the following policy is being issued describing service cost provisions and allowable skills training activities for the Airlines Project Grant. The policy's applicability to other Dislocated Worker projects will be examined on a case by case basis.

**Who:** Organizations involved in delivering services under the Airlines Project Grant.

**Background:** Examination of multi-provider projects has revealed customer service inequalities. Funding provided to individuals differed based on the service provider. These differences were not based on customer needs but on dissimilar organizational guidelines. This discrepancy is unfair.

As a result of discussions held among WSAs and ISPs and the Minnesota Department of Employment and Economic Development (DEED), the State of Minnesota is setting forth this policy to establish program equality among organizations providing services under the Airlines Project Grant. Under this policy, customers will receive assistance based on the customer's needs rather than based on the particular organization chosen to deliver the service.

Moving forward, individuals will receive levels of funding based on the current economic conditions for the occupation they wish to pursue. These occupations will be determined through the Occupations in Demand (OID) methodology which uses labor market information demand and supply factors coupled with provider input to determine which occupations are in demand in the current economy. (See the OID methodology following the appeal form for further information.)

This policy continues DEED's emphasis on enabling individuals to secure occupations that are in demand in high-growth and high-wage industries. Organizations wishing to provide the maximum funding to train individuals for occupations not on the list can appeal to DEED using the form contained in this policy.

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## Policy and Procedures

1. **Service Costs:** Eligible individuals seeking training in a demand occupation can receive up to \$4,500. If training for an occupation not in demand is selected, the individual is eligible for no more than \$2,500 in total training dollars. Providers are still expected to adhere to the average cost per participant specified in their original project proposals. These dollars can be used to assist individuals who are engaged on pre-vocational training, occupational classroom skills training, on-the-job training, and/or customized training (i.e. customized training is defined in WIA regulations, 20 CFR 663.715 and 20 CFR 663.720).

2. **Allowable Training from Occupations in Demand (OID) List:** Skill training dollars can be spent on preparing for any of the jobs on the attached lists entitled “Occupations in Demand.” The lists provide the occupations in demand for 13 economic development regions (EDRs). Occupations make the lists as a result of supporting labor market data or due to provider input. The Applicable occupational list(s) are determined by the location of the service provider. Providers in Workforce Service Areas (WSAs) that cross EDR boundaries can select demand occupations from all EDRs in which they reside. Independent service providers must adhere to the list for the EDR in which they are operating for the project.

3. **Declining Occupations:** Providers are required to show customers a State provided declining occupations list and include a note to that effect in the customer’s training plan. While an individual will not be denied funding if a declining occupation is selected, the information must be supplied so the customer is aware of the ramifications of such a decision.

Appeals regarding the limitations of items one, two, and three above are to be submitted on the attached form to:

Anthony Alongi, Director  
Dislocated Worker Program  
Minnesota Department of Employment and Economic Development  
332 Minnesota Street, Suite 200-E  
St. Paul, Minnesota 55101  
Telephone (651) 259-7528  
E-mail: [Anthony.Alongi@state.mn.us](mailto:Anthony.Alongi@state.mn.us)

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## Cites/References

WIA Regulations: 20 CFR 663.715; 20 CFR 663.720

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# APPEAL: DISLOCATED WORKER PROGRAM

ORGANIZATION \_\_\_\_\_  
CONTACT NAME \_\_\_\_\_  
CONTACT PHONE NUMBER \_\_\_\_\_

PLEASE CHECK AS APPROPRIATE:

APPEAL FROM COST LIMITATION   
APPEAL FROM OCCUPATION LIMITATION

*Appeal from Cost Limitation:* Please cite the reason(s) for the request to exceed the policy's cost limitations. In this request, please indicate the requested new limit and cite such factors as prior skill levels of the customers, the economy of the area, and the cost of training for the "targeted priority jobs."

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*Appeal from Occupation Limitation:* Please cite the reason(s) for the request to add (an) other job(s) to the "targeted priority list." In this request, please indicate the requested addition (s) and provide data that illustrates that the job (s) is in demand in the service area and that it is prevalent in a high-growth/high-wage industry.

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## **Occupations in Demand Methodology**

### **Anthony Schaffhauser, Northwest Regional Analyst**

#### **Overview**

The occupations in demand (OID) method pulls together all of the available labor market information (LMI) to target workforce development activities at the skill gaps in high-growth industries. It includes all of the excellent LMI that is currently in use, but also synthesizes it and focuses it to identify the critical needs in local areas.

The OID method involves 5 steps:

- (1) **Perform occupational analysis** to discover the shortage and potential shortage occupations in the region.
- (2) **Identify high growth industries** in the local labor market as well as industries that are vital to existing regional economic development strategy.
- (3) **Synthesize industry and occupational analyses** into a list of specific occupations in demand.
- (4) **Determine training needs** by linking the occupations in demand to the training and education required for workers in these occupations.
- (5) **Apply expert knowledge** of the local workforce investment board (LWIB) membership, business leaders in the targeted industries, economic development professionals, education officials, and others in order to verify results and incorporate additional useful knowledge.

The end result of OID is a list of occupation targets that are shortage or potential shortage occupations in the region and are also common to high-growth industries in local labor markets.

For example, using OID to calculate the demand for Financial Specialists (occupation 13-2000):

- The job vacancy rate for this occupation is above average for all occupations and there is a significant number of vacancies for the region (>15). Compared to other occupations this indicates relatively high demand; a +1 is scored for "JV Cut."
- OES median wages (wages for filled occupations) are more than 10% higher than the median for all occupations, so "Pay Well" scores +1.
- The JVS wage offers (wages for open occupations) is higher than the 10th percentile OES wage, yet lower than the OES median. That is normal so "Pay Premium" scores 0.
- All vacancies have been open less than 60 days. This is inconsistent with a shortage so the score on "Duration" is -1.
- The JV rate minus insured unemployment is high relative to other occupation groups, so it scores +1.

**Conclusion:** A total score of greater than 1 is considered consistent with a shortage. This occupation is demonstrating shortage conditions.

For further information on the OID methodology, please contact **Anthony Schaffhauser** at **(218) 333-8234** or [anthony.schaffhauser@state.mn.us](mailto:anthony.schaffhauser@state.mn.us) .