

Northeastern Workforce Development Board (NWDB) General Policies and Procedures Earn While You Learn Stipend Policy	
Policy 022	EFFECTIVE DATE: 1-4-2024
Approved by: Northeastern Workforce Development Board	Executive Director: <i>Jalan Williamson</i>

PURPOSE

Provide stipends to participants in classroom training to support and encourage training completion.

REFERENCES

2 CFR Part 200; 2 CFR 200.328-331, 2 CFR200.317-327; 2 CFR 200.112

BACKGROUND

The Worker’s fund allows for several types of payments for participants engaged in occupational skills training. The two main types of compensation are wages and **stipends**. The NWDB has developed this policy to encourage eligible youth and adult participants in the local workforce development area to achieve specific goals tied to occupational skills training. Stipends shall include targeted populations involving unemployed people, low wage workers, lower income workers, workers of color, individuals with a disability, older workers and younger workers, women, justice-involved, rural workers, those with lower educational attainment, and individuals in recovery. The policy is intended to ensure compliance with all federal and state regulations by providing guidance to NWDB staff, fiscal agent staff, program service staff on the use of earn-while-you-learn stipends.

DEFINITIONS

WAGES: A wage is a form of compensation that an employer provides to an employee for personal services rendered under Federal award as defined by the Internal Revenue Service (IRS). If an employer-employee relationship exists, then wages must be paid, and labor standards outlined in the Fair Labor Standards Act (FLSA) apply. Provisions for wages under the FLSA apply to all youth and adult participants. Additionally, the FLSA requires that all covered nonexempt employees receive not less than the federal minimum wage of \$7.25 per hour for all hours worked and overtime pay of at least one and one-half times their regular rate of pay for all hours worked over 40 in a work week. Stipend payments must not exceed the Federal or State Minimum wage amount whichever is higher.

STIPENDS: Stipends may be used as an allowable payment for satisfactory attendance and participation in occupational skills training courses and no employer/employee relationship exists between trainer and trainee.

The first step in determining whether a participant can receive a stipend is to first verify the training opportunity does not have an employer-employee relationship in determining whether an employer/employee relationship does NOT exist in a training opportunity, all training conditions listed must exist;

- The training is for the benefit of the trainees.
- The trainees do not displace regular employees but work under close supervision.
- The employer that provides the training receives no immediate advantage from the activities of the trainees and, on occasion, his operations may even be impeded.
- The trainees are not necessarily entitled to a job at the conclusion of the training period.
- The employer and the trainee understand that the trainees are not entitled to wages for the time spent in training.

Applying these considerations requires weighing and balancing all the circumstances and whether a trainee is an employee under the FLSA depends on the unique circumstances of each case.

PAYMENT PROCEDURES

Earn-While-You-Learn stipend payments are not guaranteed, nor are participants entitled to receive them. Stipend dollars are based on budget availability. The use of Earn-While-You-Learn stipend dollars is on a case-by-case basis depending on the Employment/Training Plan.

Earn-While-You-Learn payments are permitted for active participation and attendance directly tied to occupational skills training activities.

Participants may receive a maximum \$2000 Earn-While-You-Learn stipend during their enrollment period.

In order to estimate the amount a participant will receive for a stipend; the service provider will identify the total number of hours a participant needs to successfully complete an occupational skills training class and multiply the total training hours by \$5.00 per hour. Similarly, to estimate the amount a participant will receive for courses offered in credit hours, the service provider will identify the total number of credit hours a participant is registered to complete over a given period and multiply the credit hours by \$5.00 hourly.

At any point in time that a participant decides to drop or add course hours, the original stipend authorized will be adjusted accordingly and updated in MJL.

A participant may receive a stipend for more than one occupational skills training activity provided a balance remains on the maximum amount of stipend a participant may receive.

Alternative methods to determine stipend amounts can be utilized for individuals participating in unique/cohort projects, and can factor in size of project, and alignment with other funding streams. The Service Provider will consult with NWDB Director whenever alternative methods are proposed.

Payment steps include the following:

LIMITATION: Occupational skills training completed prior to WIOA enrollment do not qualify for Earn-While-You-Learn Stipends. Stipend opportunities must be documented in a signed employment/training plan before the goal is started.

- Training stipends must be identified in the participants' training plan.
- The WIOA Service Provider may make stipend payments to eligible enrolled/active participants based on properly documented participation and attendance in the Employment/Training Plan.
- The Service Provider will complete an authorization form for approval by their respective agency. Once approved, the Service Provider will put a copy of the form in the participant's case file in the appropriate case file section that relates to the stipend requested/being paid and upload the completed form.
- In most cases, training stipend schedules will be established on a weekly basis. Other schedules are also permitted by agreement of the participant and service provider.
- Stipend payments can be issued in accordance with the stipend payment schedule once documentation verifying a participant has satisfactorily attended and participated in the occupational skills training for the agreed upon period. Verifiable documentation can include a pay stub, signed attendance log, or other written proof deemed authentic and contains the information required to issue a stipend payment.
- All documentation collected to verify attendance and participation is uploaded in Maine Job Link (MJL).
- The Service Provider will issue a check or other appropriate payment mechanism as required. If the request is denied, the Service Provider must enter a case note in program notes explaining why it was denied. The Service Provider will be responsible for presenting the payment to the participant.
- All Earn While You Learn participants must be enrolled in ARPA and have the corresponding service or activity entered in MJL for the period it is provided.

Occupational Skills Training

Eligibility: Occupational training that results in attainment of a credential, license, diploma, and that prepares the participant to perform the occupation at an entry, intermediate, or advanced level; and adult education and literacy activities, including activities of English language acquisition and integrated education and training programs, when performed in conjunction with attainment of an occupational skills training course.

Benchmark: Satisfactory attendance and participation in an occupational skills training as established by a Service Provider.

Payment: \$5.00 per training or credit hour attended in an occupational skills training program up to a maximum allowable amount of \$2000.00.

Documented by: Attendance logs signed by the training provider. Copies made and uploaded in MJL.

