



NEMO WDB ISSUANCE # 02-2017

ISSUED:

EFFECTIVE:

SUBJECT: SELF-SUFFICIENCY DEFINITION

Purpose: To provide updated information on the Self-Sufficiency Definition per the Workforce Innovation and Opportunity Act.

Northeast Missouri Workforce Development Board, Inc.

Self-Sufficiency Definition

Family and individual “self-sufficiency” will vary depending on each individual situation. There is no real method for measuring the level of self-sufficiency attained by each customer participating in the workforce development system. However, we do know that increased knowledge and skills of an individual will aid in the process of moving them from their current situation to a level of self-sufficiency. The NEMO Workforce Development Board has identified the following parameters for defining what our area would support as a definition for self-sufficiency.

Self-sufficiency differs for each family and each individual depending upon where they live, the composition of their family, the local labor market and the amount of support available. The Workforce Innovation and Opportunity Act (WIOA) requires State or Local Boards to set the criteria for determining whether employment leads to self-sufficiency. At a minimum, such criteria must provide that self-sufficiency means employment that pays at least 100 % of the lower living standard income level by family size set forth in WIOA sec. 3(36)(B) <http://www.doleta.gov/lslil>

Therefore self-sufficiency in the Northeast Region for the WIOA Title I Adult Program will at no time fall below the Lower Living Standard Income Level (LLSIL) as determined by HHS or for the Dislocated Worker Program, not less than 85% of the earnings replacement rate. Consideration is given to those with special needs such as individuals with disabilities or other barriers to employment when setting criteria to determine self-sufficiency.

LLSIL is a floor to measure whether a job leads to self-sufficiency, and State and Local areas have broad discretion to set a standard above that floor. The Preamble to the Interim Final Rule clearly indicates that factors such as family size and local economic conditions may be included in the criteria developed by a State or Local Board to define self-sufficiency. The LLSIL also includes, and is adjusted using, these and other factors. The Northeast Region adopts this practice and will continue to utilize this as a minimum standard. We agree that the ultimate goal for all employment, whether under WIOA or any other program, should be self-sufficiency for the job seeker.

Under WIOA sec. 134(c)(3)(A)(i) individuals who receive training must be unlikely or unable to obtain or retain employment that leads to economic self-sufficiency or wages comparable to or

higher than wages from previous employment through career services. Additionally, they must be in need of training services to obtain or retain employment that leads to economic self-sufficiency or wages comparable to or higher than wages from previous employment.

The Department of Labor maintains the self-sufficiency standard. States may develop a State self-sufficiency standard, and local areas may adjust the standard, within the set parameters of WIOA sec. 134(c)(3) and (d)(1)(a). Recognizing that there are different local conditions that should be considered in this determination, the regulations provide maximum flexibility, requiring only that self-sufficiency mean employment that pays at least the lower living standard income level. The local board has been empowered to use such factors as family size and local economic conditions and they are included within our definition of self-sufficiency. It may often occur that dislocated workers require a wage higher than the lower living standard income level to maintain self-sufficiency. Therefore, the Rule allows self-sufficiency for a dislocated worker to be defined in relation to a percentage of the layoff wage.

WIOA requires a determination that employed adults and dislocated workers need intensive or training services to obtain or retain employment that allows for self-sufficiency as a condition for providing those services. Recognizing that there are different local conditions that should be considered in this determination, the regulations provide maximum flexibility, requiring only that self-sufficiency mean employment that pays at least the lower living standard income level. The local board has been empowered to use such factors as family size and local economic conditions and they are included within our definition of self-sufficiency. It may often occur that dislocated workers require a wage higher than the lower living standard income level to maintain self-sufficiency. Therefore, the Rule allows self-sufficiency for a dislocated worker to be defined in relation to a percentage of the layoff wage.

It should be noted that from time to time, depending on the employment conditions and the economic factors in the area, that the self-sufficiency definition could impact performance outcomes if standards are set low in one area and higher in another. If such measures will be used in comparisons across State and Local lines, setting higher standards for employment that leads to self-sufficiency could negatively impact the outcomes achieved by our local system with a set of higher standards.

The NEMO Workforce Development Board has determined that our region's self-sufficiency standard will be met when a person reaches a level of earned income needed to cover costs for various family sizes and types, and no longer requires the assistance of the Title I program or any of the required partner agencies from the Workforce Innovation and Opportunity Act (with the exception of activities or services that the State makes generally available to all its residents without cost) for a period of up to six consecutive months. At that point, the customer will exit services and be considered to have achieved the level of self-sufficiency required by the NEMO Workforce Development Board and Title I Program. The only exception to the above rule will be when an individual no longer wishes to participate in the Title I program services or has exhausted all available resources within the workforce Development system.

In this definition, "income" means income earned from employment and includes:

- Wages, salaries, tips, commissions and other taxable employee pay
- Net earnings from self-employment

Earned income is NOT:

- Interest or dividends
- Retirement income
- Social Security
- Unemployment benefits
- Alimony / spousal maintenance
- Child support

Note: Self-sufficiency is **not** part of the program eligibility criteria. Program enrollment cannot be denied to individuals who are considered economically self-sufficient, if they meet the program eligibility criteria.

A participant can only receive WIOA Title I funded training if s/he meets all requirements of Section 680.210 of the DOL WIOA Final Rule, which includes: the individual is not considered economically self-sufficient **and** needs training to obtain economic self-sufficiency OR the individual is considered economically self-sufficient but is unlikely to remain so without training.