

Date: January 21, 2014

To: Workforce Development Board Directors

From: Linda Crane
Bureau Director



Subject: WIA Policy 13-03: Determination of Dependent Status for Workforce Investment Act (WIA) Formula-Funded Program Applicants to the Youth, Adult and Dislocated Worker Programs

Purpose

To transmit guidance to Workforce Development Boards (WDBs) for determining whether an individual is dependent for the purposes of determining family size in the determination of eligibility, priority of service based on low income, and federal reporting for Workforce Investment Act (WIA) Title 1B Youth, Adult and Dislocated Workers Programs.

Legislative/Regulatory References

WIA Sections 101(15), 101(25) and 134(d)(4)(E)

WIA Regulations 663.600

Training and Employment Guidance Letter (TEGL) 4-13: Workforce Investment Act (WIA) Performance Reporting System (reporting income for dislocated workers)

Guide to WIA Title 1B Eligibility Determination and Documentation Guide

Background

An eligible youth is defined as an individual who is age 14 through 21; is a low income individual as defined in WIA section 101(25); and is within one or more of the following categories:

- Deficient in basic literacy skills;
- School dropout;
- Homeless, runaway; or foster child;
- Pregnant or parenting;
- Offender; or
- Is an individual who requires additional assistance to complete an education program, or to secure and hold employment (as defined by the local Workforce Development Board).

The WIA Adult program does not require that participants be low income unless the WDB has determined that there are limited funds for intensive and training services. When such a determination has been made, the local area may establish criteria to meet the needs of the specific groups within the local area. If this priority of service is in effect in a local area, Federal laws require that certain groups, including veterans, recipients of public assistance and other low-income individuals, be provided services.

The WIA Dislocated Worker program also does not require that participants be low income. However, the recently released TEGL 4-13 issued new reporting requirements which require that income information for dislocated workers be reported.

One of the criteria for determining "low income individual" is family income. For federal reporting purposes, low income status must be reported for youth, adult and dislocated worker participants. For reporting purposes, this means that the individual received an income, or is a member of a family that received a total family income, for the six-month period prior to program registration that, in relation to family size, does not exceed the higher of: (a) the poverty line, for an equivalent period; or (b) 70% of the lower living standard income level, for an equivalent period. Related to the definition of low income individuals are the definitions of family, dependent, guardian, homeless, and individuals with a disability.

Under WIA Section 101(15), the term **family** means two or more persons related by blood, marriage, or decree of court, who are living in a single residence, and are included in one or more of the following categories:

1. Husband, wife, and dependent children
2. Parent or guardian and dependent children
3. Husband and wife

However, WIA does not define **dependent**. This lack of definition can lead to uncertainty in making eligibility decisions regarding family size and income for youth living at home with their parents or guardians. This policy is intended to help avoid uncertainty and/or inconsistency in making eligibility decisions regarding family size and the inclusion of income when relevant for all appropriate members of the applicant's family. The support provided by parents or guardians must be carefully considered when determining eligibility for WIA youth program services.

Policy

Dependent youth are unmarried children who are dependent upon a parent or guardian for support (more than 50%) and live with the parent or guardian in a regular parent-child relationship. This includes unmarried dependent children for which the parent or guardian is the legal guardian, and has legal custody of, and/or claims as a dependent for income tax purposes, including stepchildren, legally adopted (when placed in the home following petition for adoption) children, or grandchildren (living with the parent or guardian in a regular parent-child relationship and claimed as a dependent for IRS purposes).

Dependent adults are either related to the head(s) of the household or lived with the head(s) of the household for at least the previous six months as a member of their household; and the head(s) of the household provided more than half of the person's total support; or the adult was claimed as a dependent by the head(s) of the household for income tax purposes.

Definitions

Family income means all income received by all members of the family during the six-month period prior to registration, annualized by multiplying the six-month income by two (six-month income x 2). This amount should be compared to the 70% Lower Living Standard Income Level (LLSIL) or federal poverty levels (FPL). The composition of the family is determined as of the date of program registration. Therefore, the income of prior family members who may have comprised part of the family during the past six months, but are no longer members of the household (i.e., a divorced, separated or

deceased spouse, or other family member) would not be counted for income determination purposes. Only the income of members of the current family should be counted and applied against the current family size.

Foster child means a child who was or is placed for care and maintenance in a foster home by the Department of Children and Families, a county agency, a licensed private child-placing agency or a court by court order or a voluntary placement agreement.

Guardian means a person appointed by a court to manage the income and assets and provide for the essential requirements for health and safety and the personal needs of a minor, an individual found incompetent, or a spendthrift. (WI Statute section 54.01)

Homeless individual is a person who lacks a fixed, regular, adequate night time residence. This includes any individual who has a primary night time residence that is a publicly or privately operated shelter for temporary accommodation; an institution providing temporary residence for individuals intended to be institutionalized; or a public or private place not designated for or ordinarily used as a regular sleeping accommodation for human beings.

Individual with a disability means an individual with any disability (as defined in section 3 of the American with Disabilities Act of 1990). The term disability means, with respect to an individual:

- A physical or mental impairment that substantially limits one or more major life activities of the individual;
- A record of such an impairment; or
- Being regarded as having such impairment.

A disabled youth whose family does not meet the income eligibility criteria under WIA may be considered a low-income individual if the youth's own income:

- Meets the income criteria established in WIA section 101(25)(B); or
- Meets the income criteria established in WIA section 101(25)(F) for cash payments under any Federal, State or local public assistance program.

Living at home/living in a single residence with other family members includes temporary, voluntary residence elsewhere (e.g., attending school or college, visiting relatives or friends, a spouse or parent working in another location, temporarily hospitalized or institutionalized due to injury or illness, or on vacation). It does not include family members who are incarcerated, placed in another residence as a result of a court action/institutionalized, runaway youth and emancipated youth, or permanently separated spouses.

Low-income Individual means an individual who:

- Receives, or is a member of a family that receives, cash payments under a Federal, State, or local income-based public assistance program (see WIA Policy 07-03: Cash Public Assistance and National School Lunch Program for additional guidance);
- Received an income, or is a member of a family that received a total family income, for the six-month period prior to registration for the program involved that, in relation to family size, does not exceed the higher of: (a) the poverty line, for an equivalent period of time; or (b) 70% of the LLSIL, for an equivalent period of time;

- Is a member of a household that receives (or has been determined within the six-month period prior to registration for the program involved to be eligible to receive) food stamps pursuant to the Food Stamp Act of 1977 (7.U.S.C. 2011 et seq.);
- Qualifies as a homeless individual, as defined in subsections (a) and (c) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11302);
- Is a foster child on behalf of whom State or local government payments are made; or
- Is an individual with a disability whose own income meets the requirements of a program, but who is a member of a family whose income does not meet such requirements.

Support as it relates to dependent includes financial assistance (more than 50%) from parents or guardians to help pay for food, clothing, shelter, utilities, education, medical and dental care, recreation, transportation, and any other living expenses; as well as any government-provided cash public assistance and food assistance.

Special Circumstances

Anyone claimed as a dependent on another person's Federal Income Tax return for the previous year shall be presumed to be part of the person's family for the current year. To negate this assumption, the person who was claimed as a dependent for income tax purposes would be required to provide information (self-attestation) justifying that he/she has provided more than 50% of his/her own support (food, shelter, transportation costs, etc.) for the last six months. This statement should include the amount and source(s) of his/her personal income, and the type and amount of expenses that the individual has covered for the last six months.

If a minor is living with a relative who is not a legal guardian of the minor, and the relative can attest in writing that (s)he provides only room and board to the minor and no other type of financial consideration to the minor is provided, then the income of the relative is not considered as includable income and is therefore excluded for purposes of determining low income status for the minor.

If a married individual's family (spouse and/or dependent) reside with the individual and are living within the household of other family members they are determined to be a family living within a family and the individual's married family is used to establish family size. For example, an individual and their spouse and child are living with the individual's parents would be a family size of three for determining family income.

Documentation

Verification of dependent status must be maintained in the participant files for documentation and accountability purposes to ensure that due diligence was conducted when determining family size and means of support. Further guidance regarding includable and excludable income is provided in the Guide to WIA Title 1B Eligibility Determination and Documentation Guide at http://dwd.wisconsin.gov/dwdwia/PDF/eligibility_documentation083011.pdf

ASSET Reporting

Family size and related family income amounts are recorded in Manage Programs. For federal reporting purposes, low income status must be reported for youth, adult and dislocated worker participants. For reporting purposes, this means that the individual received an income, or is a member of a family that received a total family income, for the six-month period prior to program participation that, in relation to family size does not exceed the higher of: (a) the poverty line, for an equivalent period, or (b) 70% of the lower living standard income level, for an equivalent period.

For Youth, the following fields relating to family size and income must be completed:

In ASSET Manage Programs, Title 1 Youth tab:

1. "Enter Family Size"
2. "Income Previous Six Months": Select the appropriate choice from the dropdown menu: at or below FPL, at or below LLSIL, or Not Low Income.

For Adults, the following fields relating to family size and income must be completed:

In ASSET Manage Programs, Title 1 Adult tab:

1. "Income Previous Six Months": Select the appropriate choice from the dropdown menu: at or below FPL, at or below LLSIL, or Not Low Income.
2. "Enter Family Size".

For Dislocated Workers, the following fields relating to family income must be completed:

In ASSET Manage Programs, Title 1 Dislocated Worker tab:

"Income Previous Six Months": Select the appropriate choice from the dropdown menu: at or below FPL, at or below LLSIL, or Not Low Income.

Action Required

This policy is effective immediately. WDBs should ensure that service providers and case managers are aware of this policy and the appropriate documentation requirements.

Questions and/or Technical Assistance and Training

Attached are questions and answers relative to this policy. However, it is not possible to develop policy that will cover every situation. At some point, common sense, humanity and good case records must compensate for the deficiencies of policy to anticipate every situation. When dealing with unique situations, sufficient documentation of the situation and of the rationale should be maintained to justify the determination of dependent status and therefore family size. If you need additional information regarding this policy, please contact the Local Program Liaison assigned to your area.

Attachment

Dependent Definition Questions and Answers

1. If a youth moves from parent's home in September and is now living with boyfriend and applying in December, what income is used?

- six months' worth of youth's income; or
- three months of parent's household income and three months of youth's income.

Answer: Per the definition of family income (page 2), the composition of the family is determined as of the date of program application. Thus, only the youth's income for the previous six months would be included.

2. If a 19 year old is living with mom, dad and adult employed sibling – what income is included?

- Mom, dad and youth; or
- Mom, dad, sibling and youth.

Answer: If the "adult" employed sibling is over the age of 21 and not dependent on the parent's for more than 50% of their support and/or claimed on the parent's income taxes, the adult employed sibling's income would not be included in family income and the adult sibling would not count in determining family size.

3. The definition of family does not address situations where three generations are living in the same household. For the following situations, how is the family income and family size determined?

a. Parent or guardian and 16-year old child with dependent child

Answer: It is assumed that the 16-year is applying to the WIA program. If the parents are supporting the youth and claiming the youth on their income taxes, the family size would include the parents, youth and the youth's dependent child. Thus, the parents' income would be included.

4. Many youth are attending post-secondary education and though their parents claim them as dependents on their taxes, the student is responsible for their rent and other costs through their student loans and part-time employment while at school. If the youth provides at least 50% of his/her living expenses, can they be considered independent regardless of their parent's tax return status?

Answer: Yes, this youth could be considered independent. If the youth was claimed as a dependent for income tax purposes, he/she would be required to provide information (self-attestation) justifying that he/she has provided more than 50% of his/her own support (food, shelter, transportation costs, etc.) for the last six months. This statement should include the amount and source(s) of his/her personal income, and the type and amount of expenses that the individual has covered for the last six months.

5. Does adoption of a child "break" the "related by blood" status of a biological parent and child? For example, the grandparents had adopted their granddaughter, but they have since passed and she is now living with the biological mother.

Answer: It is assumed that the case manager is asking if the mother would be included in determining family size and therefore her income counted in calculating low income status. Based on the definition of family (two or more persons related by blood who are living in a single residence, and are included in the parent or guardian and dependent child category), the mother would be included in family size and her income included.

6. A 21 year old who lived on his own applied for the program. His income was barely within eligibility limits, but before eligibility was determined his 17 year old brother who was still in high school moved in with him. His mother had become very ill and was no longer able to support him. The brother had a very part-time job and that income put him over the limit. Is the brother's income included?

Answer: Based on the definition of family, the 21 year old would be considered independent. The income of the younger brother would not be included in determining family income since this situation does not meet the definition of "family".