

**Type:** Program Policy

**Original Policy Date:** 06/12/2025

**Effective Revision Date:** NA

**Status:** Final

**Supersedes:** N/A

## **Purpose**

To establish consistent local guidelines for the issuance of stipends to eligible and enrolled WIOA Title I-B youth program participants to support their participation in allowable education and training activities as outlined in their Individual Service Strategy (ISS).

## **Policy**

PacMtn allows the issuance of stipends to WIOA Youth participants to support and encourage their engagement in structured classroom-based or virtual instruction activities. Stipends are provided to offset economic hardship that may otherwise limit participation. Stipends are not wages and are paid based on documented attendance or participation in pre-approved activities outlined in this policy.

## **Policy Guidelines**

### **A. Qualifying Activities**

Stipends may be issued for participation in the following activities:

<b>Activity Type</b>	<b>Description</b>
High School Diploma or Equivalency	Attendance at secondary school, GED, HSET, or alternative school
Adult Education	Basic skills enhancement if participant is basic skills deficient
Post-secondary Occupational Training	Classroom instruction leading to industry credential
Entrepreneurial Skills, Apprenticeship, or Pre-apprenticeship Training	Structured learning tied to employment goals
Job Shadowing/Unpaid Internship	Must be tied to Objective Assessment/ISS
Basic and Essential Skills Training (BEST)	Classroom-based essential skills training

### **B. Eligibility**

To qualify for stipends, youth must:

- Be enrolled in a WIOA Title I-B Youth program

- Have the activity included in their ISS
- Demonstrate financial hardship or risk of disengagement
- Not be engaged in paid work experience, internships, or OJT for the same time period

**Example Justification:**

*"The participant has limited transportation access and no financial support from family. Without a stipend, they cannot consistently attend their GED prep class. The stipend is expected to increase attendance and retention."*

**C. Amounts**

PacMtn aims to provide stipends that fairly reflect participant effort while maintaining flexibility to support program design. Stipend payment amounts are structured as follows:

- **Option 1 – Standard Hourly Rate Model**

Participants may receive stipends based on **verified attendance or participation** in approved educational or training activities, paid at the **current Washington State applicable minimum wage**.

*Note: The applicable hourly rate must be updated as minimum wage rates change and may also be adjusted based on PacMtn’s internal standards or funding availability, provided it does not fall below the applicable state or local minimum wage.*

- **Option 2 – Tiered Model Based on Units (Internships & Job Shadowing)**

As an alternative to the hourly model, a **tiered stipend structure** may be used for specific internship or experiential learning opportunities, if approved in advance by PacMtn.

This model aligns with the **Washington State minimum wage at the time of participation**. For 2025, the rate is **\$16.66/hour**.

Tier	Stipend Amount	Minimum Internship Hours	Minimum Units Required	Unit Conversion	Maximum Hours
Tier 1	\$499.80	30 hours	10 units	1 unit = 3 hours	Up to 40 hours
Tier 2	\$749.70	45 hours	15 units	1 unit = 3 hours	Up to 80 hours

- Internships must be listed in the participant’s ISS and meet WIOA criteria.
- Completion of **minimum required hours** is necessary to earn the full stipend for each tier.
- This model ensures minimum wage equivalency based on unit-to-hour conversion.
- If local minimum wage exceeds the state rate (e.g., Seattle), the stipend amounts must be **adjusted accordingly** to meet or exceed that local requirement.

**Example (Seattle 2025 minimum wage: \$20.76/hour):**

- Tier 1: 30 hours × \$20.76 = **\$622.80**
- Tier 2: 45 hours × \$20.76 = **\$934.20**

**Frequency:** Stipends are disbursed on a bi-weekly basis.

**Limits:**

- May not exceed 20 paid hours per week under the hourly model.
- May not exceed the maximum hours or duration of the approved activity

**D. Time-Based Payments**

Stipend payments are calculated based on actual hours of verified attendance. Virtual attendance is permitted with verifiable seat-time logs or completion tracking.

**Example Documentation:**

- Class attendance sheet signed by instructor
- Screenshot of online session login logs
- Completed modules report from learning platform

**E. Documentation Requirements**

Service providers must maintain:

- Participant's ISS reflecting stipend activity
- Written stipend agreement signed by youth and provider
- Attendance/participation logs
- Case notes justifying stipend need
- Bi-weekly disbursement records

**F. Internal Controls and Safeguards**

- Maintain a stipend inventory log detailing:
  - Participant name
  - Dates of participation
  - Total hours and amount
- Periodic reconciliation between disbursement records and attendance logs
- Secure tracking and maintenance of stipend records for audit

**G. Tax Reporting and Handling**

- If stipends total \$600+ in a calendar year, a 1099-MISC must be issued
- Youth must be informed that stipends are considered taxable miscellaneous income
- Stipends are processed as accounts payable (not payroll)

**H. Waiver Requests**

In recognition of the diverse needs and unique circumstances of WIOA Youth participants, PacMtn permits limited waivers to the standard stipend policy guidelines when warranted.

**1. Purpose of Waiver**

A waiver may be requested when:

- A participant’s participation exceeds the standard weekly or program activity maximum hours.
- The participant’s financial situation presents a critical hardship that would hinder program retention without extended support.
- An educational or training provider requires attendance exceeding policy limits (e.g., accelerated programs, extended certifications).
- Other compelling circumstances are documented by the case manager and approved by PacMtn.

## 2. Waiver Request Process

Waivers must be requested in advance and submitted in writing to PacMtn’s Youth Program Lead or Contracts Manager. Each waiver request must include:

- Participant name and ID
- Description of the activity requiring an exception
- Nature of the requested waiver (e.g., exceeding 20 hours/week, extending duration)
- Justification for the exception
- Updated ISS, if applicable
- Supporting documentation (e.g., program schedule, hardship explanation, case notes)

## 3. Review and Approval

PacMtn will review waiver requests within five (5) business days of submission. Approval must be granted in writing and maintained in the participant’s case file. Waivers are granted on a **case-by-case** basis and do not constitute a permanent policy exception or precedent.

## 4. Documentation

If approved, the waiver and supporting documents must be retained in the participant’s record, and all stipend disbursements under the waiver must follow the same documentation and internal control standards as standard stipend payments.

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## Definitions

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- **ISS (Individual Service Strategy):** A plan of action and services developed with the participant.
- **Participant Support Costs:** Direct costs such as stipends or subsistence allowances for youth trainees
- **Stipend:** A fixed payment provided to encourage participation in unpaid, classroom-based activities.

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## Attachments

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Attachment A: Youth Program Elements

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## References

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Workforce Innovation and Opportunity Act of 2014

WIOA Final Rule; 20 CFR Parts 676,677, and 678; Federal Register, Vol. 81, No. 161, August 19, 2016,  
WIOA Final Rule; 20 CFR Parts 603, 651, 652, et al; Federal Register, Vol. 81, No. 161, August 19,  
2016, Public Law 113-128, including Title I-B – Youth Program Provisions, Regulations at 20 CFR Parts  
675–699

Washington State Policy 5622 – WIOA Title I-B Youth Stipends

20 CFR 683.200(b)(2)

2 CFR 200.403, 200.404, 200.456

TEGL 21-16, Change 1

USDOL TEN 25-24

PacMtn Youth Support Service Policy #3.3.4-R1

PacMtn Procedure # 3.3.2-P

[WA State Policy 5622](#)

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PacMtn is an equal opportunity employer/program. Auxiliary aids and services are available upon request to individuals with disabilities. WA Relay 711.

## Attachment A

### Youth Program Elements for which stipend payments are or are not allowed

No.	Program Element	Allowable
1	Tutoring, study skills training, instruction, and dropout prevention	Yes
2	Alternative secondary school services or dropout recovery services	Yes
3	Paid and unpaid work experience	
	Paid work experience	No
	Unpaid work experience *	Yes
4	Occupational skills training	Yes
5	Education offered concurrently with workforce preparation and training for a specific occupation	Yes
6	Leadership development opportunities	Yes
7	Supportive services	No
8	Adult mentoring	Yes
9	Follow-up services	
	Supportive services in follow-up	No
	Adult mentoring in follow-up	Yes
	Financial literacy education in follow-up	Yes
	Services that provide labor market information in follow-up	Yes
	Post-secondary preparation and transition activities in follow-up	Yes

10	Comprehensive guidance and counseling	Yes
11	Financial literacy education	Yes
12	Entrepreneurial skills training	Yes
13	Services that provide labor market information	Yes
14	Post-secondary preparation and transition activities	Yes

\* Stipends paid to youth in unpaid WEX count toward the 20% WEX expenditure requirement.

Source: Section 5 of TEGL 21-16