

PROSPERITY DENVER FUND

Credentials Program Guidelines

Fall 2024

September 27, 2024

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Purpose

PDF's Credential Program aims to support Denver students in pursuit of technical and vocational post-secondary education by providing reimbursements to eligible training providers for the costs of training and costs of support services.

Background

Prosperity Denver Fund (PDF) was created to increase post-secondary institution enrollment and completion for Denver residents. Currently, only about 45% of low-income Denver students seek to obtain a post-secondary degree or certificate. Prosperity Denver Fund's (PDF) mission is invest in Denver by financially supporting and partnering with scholarship providers, support organizations, and nonprofits to increase the number of historically underserved Denver students who access and complete postsecondary pathways.

In May of 2023, the Denver City Council approved an amendment to <u>Prosperity Denver</u> <u>Fund's guiding ordinance</u>, allowing reimbursement to eligible certificate training providers for the cost of training and support services provided to eligible learners. Following the passage of the amendment, Prosperity Denver Fund began working with stakeholders and subject-matter experts to begin building out the needed policies and mechanisms to provide such reimbursements.

Guidelines & Definitions

Academic Year: Scholarships and Cost of Training are reimbursed according to the Academic Year that the Program Start Date falls within. The Academic Year runs from August 1- July 31.

However, SOs have the prerogative to submit their expenses according to your fiscal year budgets rather than reconciling their budget with PDF's August 1-July 31 Academic Year. However, each organization is responsible for ensuring that you do not submit any expenses twice during ongoing reporting. If you choose to submit expenses based on your fiscal year calendar, you are responsible for ensuring you do not submit reimbursement for any month within the same PDF academic year more than once. See below:

Academic Year	Distribution Cycles	Corresponding Fiscal Years	Corresponding Months
		Academic Year	August 2023- July 2024
August 2023-	Fall 2024	State Fiscal Year	July 2023- June 2024
July 2024	Spring 2025	Federal Fiscal Year	October 2023-September 2024
		Calendar Year	January 2023- December 2023

Academic Year	Distribution Cycles	Corresponding Fiscal Years	Corresponding Months
		Academic Year	August 2024-July 2025
4 4 2 2 2 4	Fall 2025	State Fiscal Year	July 2024- June 2025
August 2024- July 2025	Spring 2026	Federal Fiscal Year	October 2024- September 2025
July 2025		Calendar Year	January 2024- December 2024

Academic Year	Distribution Cycles	Corresponding Fiscal Years	Corresponding Months
		Academic Year	August 2025-July 2026
August 2025-	Fall 2026	State Fiscal Year	July 2025- June 2026
July 2026	Spring 2027	Federal Fiscal Year	October 2025- September 2026
		Calendar Year	January 2025- December 2025

Cost of Training: A student's costs of attendance or participation in a training program, including, but not limited to, tuition, fees, room and board, books and supplies. In practice, this is the cost that would be transferred onto the learners should the SO not have funding to cover the costs of training and thereby defray the student's cost of attaining the credential or certificate. Whether a particular cost or category of costs is reimbursable as a cost of training shall be determined by Prosperity Denver Fund. (See **Eligible Costs**)

Direct Costs: Costs that can be directly tied to an eligible training pathway with relative ease and with a high degree of accuracy. Direct costs are required in all reimbursement submissions, broken down by eligible categories.

Eligible Costs:

When in doubt about whether or not a cost is eligible, please refer to the guiding questions below:

- Does the expense relate directly back to the learner's training or a service they received while an active learner in your program?
- Does the expense increase training persistence and credential attainment?

• Does the service remove academic and/or non-academic barriers to training persistence and credential attainment?

Cost of Training (required for all learners)	Support Services (provided on an as- needed basis)	Indirect Costs (10% of combined cost of training & support services
Tuition & Fees - Credentialing Exam Fees - Competition Fees - Instructor Wages (salary + fringe)	Education & Career Counseling	Facilities Rent
Room & Board - Required Off-site Training - Funding/Subsidies to Aid in Program Persistence (provided to all learners)	Support Staff Wages (salary + fringe)	Training of Staff (i.e. conferences, professional development, in-service, etc.)
Books & Supplies - Curriculum Materials - Learning Technology & Platforms - Labs/Clinicals Equipment & Supplies - Training Equipment	Emergency Funding/Subsidies to aid in program persistence (i.e. transportation, rent, groceries, etc.)	
	Technology not required for program (i.e. laptops)	
	Learner Networking Events	
	Mental Health Resources (for learners)	

Eligible costs examples:

Eligible Expenses	Ineligible Expense
 Staff's time spent in direct training or service to students pursuing eligible training pathways Equipment rental to provide hands-on training Online learning platforms or programs used by students for training Costs related to database essential to functioning of the program Fees associated with a learner's participation in a skills-based competition as part of their training Staff time recruiting and maintaining apprenticeship sponsors Staff's time spent assisting a learner with obtaining childcare supports Food provided to students during a support service activity 	 Any staff time that does not provide direct service to PDF-eligible learners Costs associated with staff and not learners Learner program recruitment Marketing costs Wages paid directly to a learner or to an employer (i.e. apprenticeships, on-the-job training, etc.)

Eligible Organizations: Organizations are eligible for reimbursement in the Credentials Program if they:

- 1. Meet *all* of the following criteria:
 - a. A tax exempt, charitable organization (501(c)3)
 - b. In good standing with the Colorado Secretary of State
 - c. Existed for at least 3 years
 - d. A certificate training provider
- 2. Provide training in *at least one* of the following categories:
 - a. Certified Apprenticeship Program (Currently registered and in good standing with the State Apprenticeship Agency or USDOL Office of Apprenticeship),
 - b. Certified Teaching Credential Program, or
 - c. Industry-recognized Credential Program.

Evidence-based: Industry-recognized training pathways for which an organization would like associated costs reimbursed by PDF must be validated as evidence-based. This will be determined by the organization's level of evidence backing a program's ability to increase learner's wages. To be assessed for eligibility for training and support services cost reimbursement, organizations can either (i) submit pre-post earnings data averaged across

all of their training pathways, or (ii) seek reimbursement for specific individual pathways by providing pre-post earnings data for just those pathways. We have partnered with Colorado Equitable Economic Mobility Initiative (CEEMI) to establish the evidence-based criteria by which eligible supported organizations are validated for PDF's purposes. See **Addendum A** for details on the criteria and associated reimbursement tiers.

Financial Need: A learner meets the financial need requirement if they demonstrate financial need through one of the measures below during the process of applying for your training program. The measure used to demonstrate their financial need will also determine which reimbursement rate group the learner falls into.

Group A	Group B
 Eligibility for any of the following public benefits: Free and Reduced-Price Lunch Temporary Assistance for Needy Families (TANF) Benefits Supplemental Nutrition Assistance Program (SNAP) Benefits Medicaid Supplemental Security Income (SSI) or Disability Benefits HUD Housing Choice (Section 8 Housing) Vouchers Women, Infants, and Children (WIC) Benefits 	
A household income that is too low to require Federal Income Tax Filing	
A total household annual income at or below 60% Area Median Income (AMI) for the calendar year in which their training began (See Financial Need Reference Sheet here for AMI thresholds)	A total household annual income between 61-80% Area Median Income (AMI) for the calendar year in which their training began (See Financial Need Reference Sheet <u>here</u> for AMI thresholds)
At or below Pell Grant limit	EEC between 201 2500/ Dell Grant limit
EFC between 101-150% Pell Grant limit EFC between 151-200% Pell Grant limit	EFC between 201-250% Pell Grant limit

"Household" is determined by tax filing status. If a learner lives with their parents but is not claimed as a dependent, only the learner's household income should be considered when determining financial need. A Financial Need Affidavit can be found <u>here</u>. This specific document is not required by PDF but can be used if you do not have an internal document that can be produced in the case of an audit to verify eligibility.

Indirect Costs: Sometimes referred to as "overhead"—can help with the general operation of your organization. This includes the costs of doing business that are not necessarily directly tied to cost of training or support services but are necessary for the function of the organization that runs the program (e.g., rent, utilities, technology, and non-programmatic employee salaries including accounting, grant writer, IT, and management). Indirect costs are not included in a PDF reimbursement submission. Ten percent of the combined cost of training and support services will automatically be added to each organization's reimbursement amount to account for indirect operating costs.

Industry-recognized Credential Program: Must be an evidence-based program (See **Evidenced-based**) that meets the requirements of 20 U.S.C. § 1001(a) paragraphs 1, 2 & 4 of the U.S. Higher Education Act, as amended, must provide a program of training to prepare students for gainful employment in a recognized occupation, and either grants or prepares the graduate to quickly earn an industry-recognized credential in an employment sector where workers are in demand, as certified by PDF.

Learner Reimbursement Rate: Costs of training and providing support services for learners who participated in Registered Apprenticeships and Teacher Training Certificate Programs will be reimbursed at a rate of 75% or 70% for all learners who meet PDF financial need, residency, age, and satisfactory academic progress requirements.

Costs of training and providing support services for learners who participated in Industryrecognized Credential Programs or received training that leads to an industry-recognized credential will be reimbursed at a rate of 30-75% for eligible learners, according to the organization's demonstrated impact on a learner's wage growth and the learner's demonstrated financial need. Additional details on the reimbursement ranges are approved as established by CEEMI and found in the Credentials Program Guidelines (See **Addendum A**). See **Addendum B** for a summary illustration of how reimbursement rates are determined.

PDF-Eligible Learner: Individual learners must meet the following criteria for an organization's expenses associated with training and supporting that learner to be eligible for PDF reimbursement:

1. Be a Denver resident and/or graduated from a Denver high school (See **Residency** section),

2. Be thirty (30) years of age or younger as of the final scheduled class day of the academic year for which a reimbursement grant is requested (See chart below for eligible birth years for each academic year),

3. Demonstrate a financial need (See **Financial Need** section), and

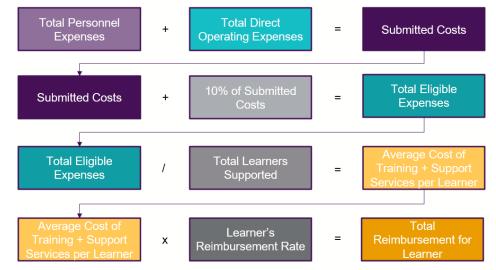
4. Achieves Satisfactory Academic Progress (See **Satisfactory Academic Progress** section).

Eligible Birth Years by Academic Year			
Academic Year	Distribution Cycles	Learner Must Be	
Academic Tear	Distribution cycles	Born on Or After	
2023-2024	Fall 2024	August 1, 1993	
2023-2024	Spring 2025	August 1, 1995	
2024-2025	Fall 2025	August 1, 1004	
2024-2025	Spring 2026	August 1, 1994	
2025-2026	Fall 2026	August 1, 1005	
2025-2026	Spring 2027	August 1, 1995	
2026 2027	Fall 2027	August 1, 1000	
2026-2027	Spring 2028	August 1, 1996	

Program Start Date: Program Start Date is determined by the month and year the learner first begins their training.

Registered Apprenticeship Program: Registered with the US Department of Labor and must meet the requirements of 20 U.S.C. § 1001(a) paragraphs 1, 2 & 4 of the U.S. Higher Education Act, as amended.

Reimbursement Calculation by Pathway: An organization's reimbursement will be calculated using the equation below for each pathway submitted for reimbursement.



Residency: A learner meets the residency requirements if they:

- 1. Are 25 or under and attended a high school in Denver, or
- 2. Were a resident of the <u>City & County of Denver</u> for the six months prior to beginning their training program. For AY2023/2024 learners, you may use their address at the time they began their training program to meet the residency requirement.

Additional information regarding the residency requirement can be found <u>here</u> on the PDF website. A Residency Affidavit can be found <u>here</u>. This specific document is not required by PDF but can be used if you do not have an internal document that can be produced in the case of an audit to verify the eligibility.

Satisfactory Academic Progress: Learners must have met Satisfactory Academic Progress (SAP), as defined by your training program requirements, for the academic year being reimbursed. SAP considers both grade point average, if applicable, and progress towards completing enough coursework to graduate within a specified period. Learners meet the requirements for SAP if they successfully completed their training within the academic year or if they met all requirements to continue pursuing their training into the following academic year.

Support Services: Services provided on an as-needed basis above and beyond what is required for all students by an organization. Support services are designed to increase persistence, graduation, and demonstrated wage gains. If a program requires all learners to participate in any items listed under support services (see **Eligible Costs**), the Supported Organization must submit in writing an explanation of their program requirements that will be kept on file.

If the cost of support services for a learner is greater than the cost of training that learner, SOs will be reimbursed for support services <u>up to</u> the amount of their cost of training. If the cost of support services for a learner is less than the cost of training the learner, SOs will be reimbursed for the total cost of support services for the learner.

Supported Organization (SO): An eligible Organization who meets all requirements for reimbursement and who has gone through the approval process (See **Eligible Organizations**).

Teacher Training Certificate Program: Must either prepare its graduates to pass a state licensure examination or an alternative licensure program that offers a certified teaching credential and also be fully authorized by CDE as a state educator preparation program.

Reimbursement Submission Process

The process to submit a reimbursement request for the Credentials Program has several components to ensure all submissions meet the program's guidelines and polices.

- 1. **Intent to Participate** Confirms which SOs will participate in the Distribution Cycle and are included in related communications.
- 2. **Pathway Validation** All training pathways must meet certain requirements to be validated as eligible for reimbursement. Pathways must be validated as eligible or ineligible prior to an organization submitting any learners or costs associated with the pathway.
- 3. Learner & Costs Submission- Once validated, an organization can submit learner details and the eligible costs associated with that pathway for the academic year. All requests for reimbursement must be reviewed and confirmed by a second staff member at the supported organization before being submitted to PDF. SOs are required to maintain for six years all records used to verify learners' eligibility and support costs submissions in case of an audit.
- 4. **PDF Review of Submissions** PDF will review all submissions for accuracy and will work with SOs to resolve any questions that arise.
- 5. **Supported Organization Confirmation of Finalized Submission** After all questions are resolved and submissions are finalized, each supported organization will be required to review the finalized submission to ensure it matches their records.
- 6. **Board Approval** Prosperity Denver Fund's approves all requests for submissions at the board meeting following the close of the Distribution Cycle.
- 7. **Distribution of Funds** Following Board approval, reimbursements will be dispersed to participating SOs.
- 8. **Reporting** Supported Organizations are required to report to PDF annual how the funds received were used to increase post-secondary institution enrollment and completion for Denver residents. Details of the reporting requirements and process will be provided by Prosperity Denver Fund.

Submission Support

PDF Staff is available to help! Contact the PDF staff at help@prosperitydenverfund.org if you have any questions or concerns regarding PDF submission procedures. We are happy to schedule a 1:1 meeting if you'd like.

Addendum A: Evidence-based Criteria for Industry-recognized Credential Training Pathways



Executive Summary

Below, PDF, with support and technical assistance from its partner the Colorado Equitable Economic Mobility Initiative (CEEMI), lays out:

- 1. Details on three reimbursement "tiers" for eligible short-term training providers, based on the strength of evidence indicating they increase learners' wages.
- 2. Details on minimum benchmark learner wage increases for training providers to qualify for reimbursement, and a brief summary of how they were calculated.
- 3. An illustrative table showing how reimbursement works in practice for the three tiers.
- 4. A reminder, building on previous communications, on how PDF is phasing in these reimbursement tiers in the first two years, recognizing that many programs will need time to establish systems to measure their learners' wage outcomes. This phase-in is based on the framework previously approved by PDF's board (*Pg. 4*).
- 5. Details on reimbursement levels at different tiers, including with slightly more generous reimbursement for learners at highest level of financial need (*Pg. 5*).

<u>Reimbursement tiers based on level of evidence supporting effectiveness of short-</u> <u>term training providers</u>¹: Below we have laid out three tiers of reimbursement based on the level of evidence backing a program's ability to increase wages.

Tier 1: Programs can <u>receive maximum PDF reimbursement (i.e., 70% or 75% of training</u> <u>and support services costs for learners at the highest financial need)</u> if they have been shown to (i) produce statistically significant impacts on wages in at least one wellconducted evaluation with a high-quality comparison group², and (ii) are being

¹ Importantly, these reimbursement tiers only apply to short-term training providers; by contrast, registered

apprenticeship programs and teacher training programs can automatically qualify for maximum PDF reimbursement (i.e., 75% of training costs) per Denver City Council ordinance 23-0428.

² i.e. Per Denver City Council ordinance 23-0428, either meet the "proven" standard, based on a randomized evaluation or multiple high-quality evaluations with a high quality comparison group, as defined in C.R.S. 2-3-210(2)(d) or the "evidence-informed" standard based on a single evaluation with a high quality comparison group or robust pre and post program evaluations, as defined in C.R.S. 2-3-210(2)(a). Note these statutory definitions were also very slightly amended in the 2024 legislative session, by bipartisan JBC legislation 24-1428.

implemented with fidelity. Fidelity of program implementation would be established by each program's developer and validated by either PDF or a designated streamlined certification process, certifying the program is implementing essential elements of the program as it was found to be effective when it was evaluated.

Tier 2: Programs that use official administrate data (e.g., state W-2 records) to measure pre-post wage gains without reference to a comparison group³ can qualify for <u>up to the maximum PDF reimbursement (i.e., up to 75% of training and support services costs for learners at the highest financial need) if their learners' average wage gains meet benchmarks laid out below, and they have pre-post wage data for at least <u>80%</u> of their learners over at least a one-year period before and after training. Programs must also collect data to the greatest extent possible disaggregating outcomes by race, gender and ethnicity.</u>

Tier 3: Programs using self-reported data to measure pre-post wage gains without reference to a comparison group⁴ can qualify at a <u>slightly lower reimbursement level of *up* to 50% of training and support services costs</u> if they meet the benchmarks laid out below, and have pre-post self-reported wage data for at least <u>60%</u> of their learners over at least a one-year period before and after training. Programs should also collect data to the greatest extent possible disaggregating outcomes by race, gender and ethnicity.

For Tiers 2 and 3: Pre-post wage gain benchmarks for short-term training programs to qualify for PDF funding

The following are the earnings benchmarks for programs using <u>pre-post data</u>, without reference to a comparison group, to qualify for PDF reimbursement (i.e. tiers 2 and 3). As described below, the benchmarks are higher for longer training programs than shorter ones. The rationale behind this is that longer training programs require learners to spend more time in training and, as a result, to potentially pass on more wage growth that might have naturally occurred even without the program. In other words, there is a greater potential opportunity cost in lost wages to learners for engaging in long-term training and, therefore, longer programs should be required to hit a higher earnings benchmark to account for this.

The bolded benchmarks are what short-term credential programs must meet to receive maximum PDF reimbursement. However, such programs can receive a lower level of reimbursement if they meet 70-99% of the earnings benchmark (e.g., a program whose learners on average meet 70% of the earnings benchmark can receive 50% rather than 75% reimbursement of training costs in tier 2, and 35% rather than 50% reimbursement of costs in tier 3). *The non-bolded sub-bullets in the next section indicate what the 70% earnings*

³ These also meet the "evidence-informed" standard as defined in C.R.S. 2-3-210(2)(a)

⁴ Again, these also meet the "evidence-informed" standard as defined in C.R.S. 2-3-210(2)(a) 13

benchmarks would be. A chart in Appendix A, at the end of this memo, spells out reimbursement levels for training providers at different earnings levels.

For shorter programs (e.g., those lasting less than 9 months), to qualify for maximum PDF reimbursement, programs must demonstrate their participants, on average, earn at least:

- \$2,500 more in the year following their training than in the year preceding it, for full reimbursement.
 - (70% of this figure is \$1,750, the minimum gain needed to qualify for any level of reimbursement)
- \$8,500 more in second year following training compared to the year preceding it, for full reimbursement.
 - (70% of this figure is \$5,950, the minimum gain needed to qualify for any level of reimbursement)

For longer programs (e.g., those lasting 9-15 months on average), to qualify for maximum PDF reimbursement, programs need to demonstrate that their participants, on average, earn at least:

- \$4,500 more in the year following their training than in the year preceding it, for full reimbursement
 - (70% of this figure is \$3,150, the minimum gain needed to qualify for any level of reimbursement)
- \$10,500 more in second year after training, compared to the year preceding it, for full reimbursement
 - (70% of this figure is \$7,350, the minimum gain needed to qualify for any level of reimbursement)

Explanation: Recommendations for PDF pre-post earnings thresholds

How did PDF and CEEMI come up with these recommendations?

- PDF and CEEMI examined the average earnings trajectory of the <u>control groups</u> in 20 well-conducted randomized controlled trials (RCTs) of workforce training programs that report earnings outcomes for at least two years after program application. We paid particular attention to the 10 of these studies that also report on earnings for at least one year <u>before</u> program application, as this provides a substantially more accurate sense of learners' earnings history than earnings data from just the 1-2 quarters before the program.
- We focused on control groups from RCTs because these studies randomly assign some individuals interested in receiving a given training program to either a treatment group that receives the program or a control group that does not. That process of random assignment ensures to a high degree of confidence that these

two groups are highly similar in both observable characteristics (e.g., demographics, prior work history) and unobservable ones (e.g., motivation, psychological resilience). As a result, looking at control groups' earnings trajectories gives us a reasonable estimate of what would have happened to training program participants if they never received training.

<u>Illustrative examples of reimbursement amounts for programs backed by different</u> <u>evidence levels</u>

The following table shows what reimbursements would be for **illustrative training programs costing \$1,000 per learner** backed by different levels of evidence. Note that this example is for a learner at the highest level of financial need. For a learner at a slightly lower (but still significant) level of financial need, all reimbursement levels set forth below would be 5 percentage points lower. Below is a table showing exact reimbursement levels at different thresholds of earnings that fall in between 70% and 100% of the earnings benchmark.

Qualifying evidence category	Maximum reimbursement per eligible learner for \$1000 spent	At 70% of wage benchmark (i.e., minimum wage growth to qualify for any reimbursement)
Tier 1: Effective based on a high- quality comparison group study	\$750 – maximum PDF reimbursement (i.e., 75% of training/support service costs) is automatic with statistically significant wage effects in qualifying study/studies.	Not applicable – maximum reimbursement (\$750) is automatic with statistically significant wage effects in qualifying study/studies.
Tier 2: Evidence-informed (pre- post studies – official data)	\$750 – maximum PDF reimbursement (i.e. 75% of costs) is possible by meeting bolded pre-post wage growth benchmarks described above.	\$500 – if programs using official pre-post wage data hit the 70% benchmark, they can receive reimbursement at 50% of costs.
Tier 3: Evidence-informed (pre- post data self-reported)	\$500 – 50% reimbursement is the most programs qualifying using self- reported pre-post data can receive by hitting bolded pre-post wage benchmarks described above.	\$350 – if programs using self-reported pre-post wage data hit the 70% benchmark described above, they receive reimbursement at 35% of costs.

How this will be phased in/implemented:

As programs need some lead time to assess 1- and 2-year earnings levels for participants, we have designed a phase-in period over the next two years, so that this framework may not be fully implemented across all Supported Organizations until Spring 2026. **This phase in period was previously approved by the PDF board and described in memos released to Supported Organizations (SOs) in April and May 2024.**

SOs that qualify as either registered apprenticeship programs or teacher training programs, OR that can demonstrate that they qualify for tier 1 or tier 2 as defined above, will be able to move up to the higher reimbursement levels starting in Fall 2024. The certification of SOs into their qualifying tier will be conducted by CEEMI.

Between Fall 2024 and Spring 2026, all SOs will be automatically eligible for reimbursement of 50% of their training costs by PDF if they can provide *any* pre- and post- wage outcome data on learners served, demonstrating learners earn more – by any amount – after the program than they did before. During the phase-in period, all applicable SOs are expected to operate in good faith that they are working towards achieving the highest tier of wage data reasonably attainable for their organization.

Beginning in Fall 2026, **ALL** short-term credential SOs will need to meet the minimum thresholds for tiers 1, 2, or 3 defined above to be eligible for PDF reimbursement.

The 2-year phase-in plan briefly described above is mapped out in more detail in the previous memo PDF and CEEMI disseminated in May 2024, which has been approved by PDF's board.

As the short-term certificate program launches and is implemented, reimbursement will be efficiently processed during bi-annual reimbursement periods for an SO that is certified at the appropriate evidence and reimbursement tier.

During the 2-year onboarding period, CEEMI will help establish a streamlined system for SOs to submit wage data, allowing them to demonstrate their eligibility of moving into tier 2 or tier 1 as soon as possible. On an ongoing basis, CEEMI will assist with reviewing the submitted wage data, to help determine the appropriate tier.

Additionally, if there are SOs unable to move into tiers 1 or 2 during this initial onboarding, CEEMI will work with them to connect with additional resources for technical assistance. After an initial certification by CEEMI in consultation with PDF, placing the SO in the appropriate reimbursement tier, CEEMI will confirm on an annual basis that learners are completing the program so that the SO does not need to demonstrate every qualifying learner is meeting the wage benchmarks every cycle. An SO's status as "in good standing with PDF" will be periodically reviewed and renewed based on historical wage data, at a cadence to be determined.

Ensuring this framework supports/promotes providers serving learners with barriers:

Per City Ordinance, reimbursement must be funded on a sliding scale based on a learner's demonstrated financial need. In addition to the provisions described above, the reimbursement framework below includes two needs-based tiers that will determine the final rate at which the reimbursement will be calculated for costs associated with a given learner with a reimbursement rate difference of 5% between the two.

As additional safeguards to ensure that nothing about this framework inadvertently penalizes organizations serving our most vulnerable populations/learners with the highest barriers to employment, if a program is supported by an evaluation with a comparison group **showing statistically significant reductions in recidivism** (incarceration, arrests, or charges) for participants over the course of at least a year long period, that program can automatically receive a tier 1 certification.

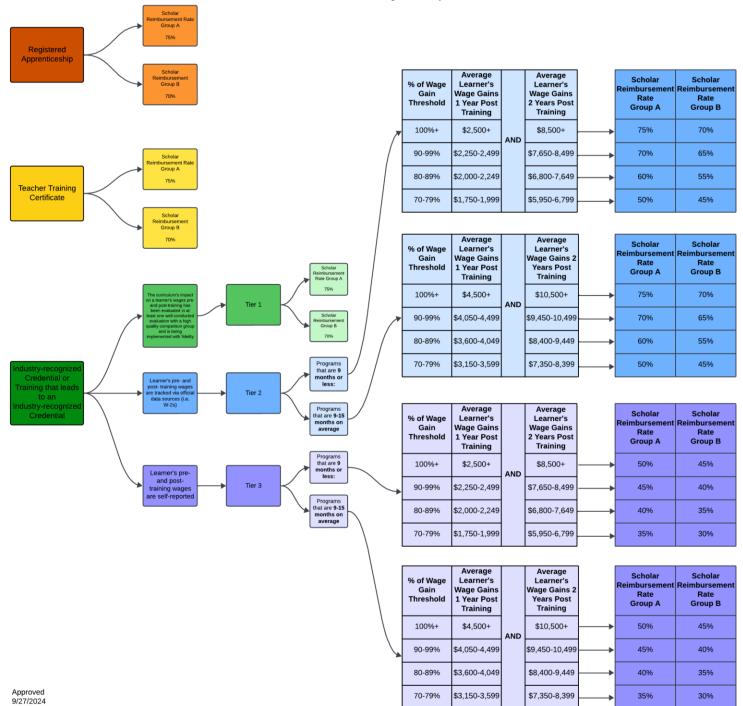
	% of earnings gain threshold for providers' average learner	% cost reimbursement for Group A	% cost reimbursement for Group B
Tier 1	N/A		
(Evaluation w/ comparison group)	(by definition, a provider in Tier 1 has provided evidence of causal impact on earnings from a rigorous evaluation)	75%	70%

Reimbursement bands for PDF training providers across all three evidence tiers:

Tier 2	% of earnings gain threshold for providers' average learner	% cost reimbursement for Group A	% cost reimbursement for Group B
(Official wage	70-79%	50%	45%
data)	80-89%	60%	55%
	90-99%	70%	65%
	100% or more	75%	70%

Tier 3	% of earnings gain threshold for providers' average learner	% cost reimbursement for Group A	% cost reimbursement for Group B
(Self-reported	70-79%	35%	30%
wage data)	80-89%	40%	35%
	90-99%	45%	40%
	100% or more	50%	45%

Addendum B: Reimbursement Rate Summary Illustration



Including Evidence-Based Criteria for Industry-recognized Credential Training Pathways