

SELECTED AREAS OF COST

Chapter 75 – Workforce Investment Act

Authoritative Sources

[FAR 31.201-5](#) Credits

The Workforce Investment Act, which was signed into law August 7, 1998, to replace the Job Training Partnership Act and certain other Federal job training, was passed by Congress to help turn the hard-core unemployed into productive wage earners. As part of that effort, State and local workforce investment boards were created to identify, counsel, train, and place unemployed people. One incentive to industry to participate in the program is a partial subsidization of these new workers' wages, up to 50 percent, for the first weeks or months of their employment. The law further specifies that these reimbursements are intended to compensate employers for the increased training costs and reduced productivity associated with hiring the hard-core unemployed.

Contractors receiving payments as part of this program should not receive duplicate reimbursements under Government contracts. If the contractor includes costs in its proposals or billings that are subject to reimbursement under this act, an appropriate credit should be given to the Government. Conversely, if the contractor can and in fact does exclude from its proposals or billings increased costs resulting from its participation in this program, then no credit or offset is required. Such increased costs often result from additional training and supervision that are associated with hiring the hard-core unemployed as well as reduced productivity in the form of additional hours and materials required by these employees.