

**WDA 16**

A proud partner of the

American Job Center network

**Workforce Investment Area 16**

**Belmont, Carroll, Harrison and Jefferson Counties**

**Policy Letter 01-2009**

**Policy: Incumbent Worker Training Program (IWTP)**

**I. PURPOSE**

To establish a policy for the implementation of an Incumbent Worker Training Program (IWTP) in accordance with Workforce Investment Act(WIA) Transmittal Letter 22C which provides waiver authority to use 20% of the local area Adult and Dislocated Worker formula allocation for an Incumbent Worker Training Program. WIATL 22C is a revision of WIATL 22B.

**II. WORKFORCE INVESTMENT BOARD APPROVAL**

Motion 09-2009 Policy approved on March 13, 2009

**III. INCUMBENT WORKER TRAINING PROGRAM BACKGROUND**

On July 25, 2005, the Department of Labor (DOL) granted Ohio a waiver to permit a local Workforce Investment Board (WIB) to request to use up to 10% of adult and dislocated worker funds to provide statewide employment and training activities identified in WIA Section 134.

On August 23, 2006, DOL approved an increase of the amount in the waiver to use local WIA Adult and Dislocated worker funds to conduct statewide activities under WIA Section 134. The current waiver allows local areas to request the use of up to 20% of their local adult and dislocated worker funds to provide statewide employment and training activities.

This waiver only applies to Incumbent Worker Training (IWT). Other Statewide activities are prohibited under this waiver.

WIB’s are not required to use this waiver. WIB’s must request permission from the State to implement this waiver any time during the program year (July 1 – June 30) but only once per quarter.

The WIB must determine the funding level, up to 20% of adult and dislocated worker formula funds, for the IWTP. Funds allocated to the IWTP that go unspent may be expended on the adult and dislocated worker program activities authorized by WIA.

The WIB will work with the Ohio Department of Development and other local and state holders in coordinating other funds and services available to businesses.

**IV. IMPLEMENTATION**

A. Goals

IWT is generally developed with a business or business association that is expanding capacity, incorporating new technology, or at risk of closing or downsizing.

Workers participating in IWT will benefit by enhancing existing skills, learning new skills, earning employer or industry recognized credentials, retaining employment, advancing their careers, and/or increasing their earnings potential. IWT may also allow the opportunity for backfilling vacated positions resulting from the promotion of newly trained workers.

The IWTP must meet one or more of the following goals:

* assist employers in avoiding layoffs
* identify skill shortages and raise the skill level of workers to increase their knowledge, efficiency and productivity and maximize their potential
* raise the skill level of workers so that it leads to the promotion of the workforce, thus providing a career progression that opens entry level positions to others
* workers receive portable, transferable, recognized industry or sector credentials
* assist the business in remaining competitive in its market
* increase retention in employment
* increase workers’ wages
* other goal(s) as reviewed and approved by the WIB

1. Definitions

Incumbent Worker Training(IWT)Incumbent Worker Training is training developed with an employer or employer association to upgrade skills of a particular workforce. IWT requires a 50% employer match. Allowable types of IWT are:

* + Innovative training: locally-designed training that provides workers with

employer-recognized skills but does not fall within the state or federal requirements of customized training, on-the-job training, occupational skills training or skill upgrade training; requires a 50% employer match.

* + Skill upgrade training: short-term training that enhances occupation-

specific skills or basic skills that does not lead to a credential/certificate as defined in USDOL TEGL 17-05; requires a 50% employer match.

* + Customized training: requires a 50% employer match; reference WIA 16 Policy 02-2009.
  + On-the-job training: reimbursement for the extraordinary cost of training at a rate not to exceed 50% of the hourly wage; reference WIA 16 Policy 02-2005.
  + Occupational skills training (ITA’s): training that leads to a credential

or a certificate as defined in TEGL 17-05 and by local policy; requires a 50% employer match.

Incumbent Worker (IW)An incumbent worker is an employed worker who is need of additional skills in order to advance, avoid layoff or acquire skills needed by the employer party to the IWT contract. Incumbent workers do not need to meet the self-sufficiency standard established by the local WIB.

1. Eligibility

Incumbent Worker Must meet the following:

* a full-time, permanent employee of the employer
* minimum of 18 years old
* legally authorized to work in the United States
* If applicable, inclusion of the private employment agency in the contract when employers want to include workers placed through private employment agencies in the contract and acknowledgement from all parties that private employment agency workers who successfully complete the training will be immediately placed into permanent employment with the employer

*Documentation may be satisfied by an employer statement that ensures all trainees meet these requirements and documentation must be made available to the WIB upon request. Any violation by the employer that results in an ineligible worker receiving training and disallowed costs or other penalties being incurred is the sole liability and responsibility of the employer. Area 16 local elected officials, WIB and program operators are not liable for disallowed costs and other penalties due to the fault of the employer.*

EmployerMust meet the following:

* Facility must be located in Workforce Investment Area 16.
* Must employ a minimum of 5 full-time, permanent employees.
* Must not be presently debarred, suspended, proposed for disbarment, declared ineligible, or voluntarily excluded from participation in transactions by the USDOL or the State of Ohio.
* Must not have any outstanding tax liability to the State of Ohio. WIBs will require the businesses to disclose any known outstanding tax liabilities with other states prior to entering into a contract. The local WIB may consider existing out-of-state violations when determining eligibility to receive incumbent worker training funds.
* Must not have any local, county, federal or city outstanding tax obligations.
* Must be current and in compliance with environmental regulations.
* Must pay into unemployment compensation and workers’ compensation.
* Must have other sources of funding to support the training.
* Must have all required approvals, licenses or other qualifications to conduct business in Ohio and all must be current. Should this status change during the course of the IWT activities and the business is disqualified from conducting business in Ohio, all IWT must cease.
* Governmental entities, including city, county and state, may not participate in the IWTP. Health care providers that are operating as not-for-profit entities are the only allowable exceptions to this prohibition.
* Businesses that have relocated to Ohio and have laid-off workers at their former location in the United States may not be considered for IWT until they have been in operation at the current location for 120 days.
* Must not have outstanding civil, criminal or administrative fines or penalties owed to or pending in Ohio.
* Must agree to post job openings resulting from the IWT with Area 16’s One-Stop Employment System.

*Any violation or falsification of information by the employer that results in disallowed costs or other penalties being incurred is the sole liability and responsibility of the employer. Area 16 local elected officials, WIB and program operators are not liable for disallowed costs and other penalties due to the fault of the employer.*

By signing the contract with Area 16 the employer is acknowledging that they are in compliance with all the above eligibility requirements.

1. Training Parameters

* An employer or employer association in conjunction with the WIB/designated entity will design and implement an IWTP.
* The IWT must have approval from the collective bargaining organization if applicable.
* The maximum amount of adult and/or dislocated worker funds allocated

to a single IWTP project is $ 25,000.00.

* Employers must contribute 50% cash match to the cost of the IWTP.
* IW’s hourly wage during and after training must be a minimum of $12.00/hour.
* IWTP funds must not be used to supplement or supplant current training efforts. The funds must be used for new training projects.
* Training cannot begin prior to the contract beginning date and cannot exceed the contract ending date except by contract amendment. Only training costs incurred during the contract period are eligible for payment or reimbursement.
* Training will not be provided if the employer has permanent employees on lay-off status unless the training will prevent additional layoffs.
* The IWTP must meet one or more of the goals stated in section IV. A.
* IWTP may be arranged through the traditional array of intensive and training services including On-the-Job Training(OJT), customized training, skill upgrading, occupational skills training through ITA’s or a combination of these training approaches. WIB’s may also implement innovative training strategies that best meet the needs of the business community. These strategies must be approved by ODJFS on a case by case basis.

1. Incumbent Worker Training Prohibitions

* Funds cannot be used for the encouragement or inducement of a business to relocate from any other location in the United States or to assist a business that relocated its United States operations that resulted in a loss of jobs at the former location. IWT can be provided to the business after it is operational at its new location for at least 120 days.

1. Incumbent Worker Training Program Application, Selection and Approval Process

Businesses not eligible to receive IWT funds include:

* + Any business currently receiving training funds from the State of Ohio which would be a duplication of training efforts.
  + Any business that previously received IWT funds or other training funds from the State of Ohio and failed to uphold the terms of the agreement.
  + Any business that previously received IWT funds from a previous agreement and at least 12 months have not expired from the ending date of the agreement.
* Applications will be reviewed and approved on a first come – first serve basis.
* Businesses must complete and submit three copies with original signatures of the IWTP application to the respective county program operator.
* The application will be reviewed by three Area 16 county program operator staff (representation from three counties is required), recommended for approval/disapproval, and submitted to the WIB for approval/disapproval.
* The application will be rated and approved/disapproved based on the following criteria:
  + Each application must pass Section I Screening to move to Section II Screening and pass Section II Screening to move to Section III.

“Section I”

“Yes” Response is Required Except for Not Applicable (N/A) Questions

* 1. Is your business located in Belmont, Carroll, Harrison or Jefferson County?
  2. Does your business employ a minimum of five full-time, permanent employees?
  3. Is your business void of all current or potential debarments or suspensions from participating in transactions with the State of Ohio and USDOL and void from being declared ineligible or excluded from participating in transactions with the State of Ohio?
  4. Does your business ensure it is not on the most recent list established by the Ohio Secretary of State that would identify it as having more than one unfair labor practice contempt of court finding?
  5. Does your business ensure it does not have outstanding civil, criminal or administrative fines or penalties owed in the State of Ohio?
  6. Is your business current on all Ohio tax liabilities?
  7. If applicable, is your business current on other states’ tax liabilities?
  8. Is your business current on all federal, city, local and county tax liabilities?
  9. Is your business in compliance with environmental issues?
  10. Does your business pay into Ohio unemployment compensation and workers compensation funds?
  11. Does your business have other funding sources to support this proposed training?
  12. Does your business have all required approvals, licenses or other qualifications to conduct business in Ohio?

14) Does your business agree to provide performance and follow-up information

to the WIB?

1. Does your business agree to provide the workers’ names, date of birth and

other required information to the WIB?

16) Does your business agree to cooperate with the WIB in monitoring the training?

17) Is your business an Equal Opportunity Employer?

18) Does your business abide by all Federal and State laws regarding wages,

labor, health and safety, Drug Free Workplace and Americans with Disabilities Act?

19) If applicable, is this training approved by a collective bargaining organization?

20) Does your business maintain on file an I-9 for each worker verifying they are

eligible to work in the United States?

“No” Response is Required

1. Has your business relocated all or part of your operations to Ohio from a former location in the United States which resulted in the layoff of workers at your former location? If answered “yes”, the business must be in its current location for 120 days or more to be considered for training.
2. Will this training cause a loss of employment or reduction in hours for any employees?

“Section II”

The application will be scored and assigned points based on the following factors. A minimum of 3 points is required to be considered for approval.

* + Assists the employer in avoiding layoffs(2)
  + Raises the skill level of workers to increase their knowledge, efficiency and productivity and maximizes their potential(1)
  + Raises the skill level of the workers so that it leads to the promotion of the workforce, thus providing a career progression that opens entry level positions to others(2)
  + Workers receive portable, transferable, recognized industry or sector credentials(1)
  + Assists the business in remaining competitive in the market(1)
  + Increases retention in employment(1)
  + Increases workers’ wages(1)
  + Provides another goal approved by the WIB(1)
  + Critical to company viability, stability and profitability(1)
  + Company’s presence is important to the local economy(1)
  + Training involves at least one worker who is a Veteran(1)
  + Training involves at least one worker who is a minority(1)
  + Training involves at least one worker who is disabled(1)
  + Has previously used One-Stop Services(1)
  + Training involves members of a collective bargaining organization(1)

Section III

The training and budget must adhere to fiscal requirements and this IWTP policy.

* Each business that submits an IWTP application will receive written

notification on its approval/disapproval.

1. Incumbent Worker Training Program Reporting

IWT activities will be reported via the mini-incumbent worker registration in SCOTI. Each project will be categorized as either Layoff Aversion or Workforce Talent Development.

- Layoff Aversion IWT: a category of IWT allowable under this local IWTP

initiative that identifies the business as having a workforce in need of

training due to the potential for workforce downsizing or closure.

- Workforce Talent Development IWT: a category of IWT allowable under

this local IWTP initiative that identifies the business as in need of training

for their workers in order to expand capacity, increase skills and

competencies, remain viable and competitive, and/or retrain with new

technologies.

The type of training is a required data element:

* + customized training
  + on-the-job training
  + occupational skills training(ITA)
  + skill upgrade training
  + innovative training: report as innovative if not one of the first four

The following data elements will be reported:

* + WIB number, county and business name
  + NAICS code, worker name and date of birth
  + Worker SSN(optional), training start date and planned end date
  + Planned training hours, actual end date and actual training hours

1. Incumbent Worker Training Program Outcomes

Worker outcomes will be reported and selected from the following list(multiple selections may be made):

* + completed training program
  + did not complete training program
  + received vocational skill certificate
  + received other credential
  + worker remained employed with the same business after exit
  + worker is employed by a different business after exit
  + worker received wage increase
  + worker received promotion
  + worker received other positive outcome

Co-enrollment of an IWTP participant into the adult or dislocated worker program must meet all WIA eligibility and reporting requirements.

V. FISCAL

A. Incumbent Worker Training Allowable Costs (include but not limited to):

* instructors/trainers’ salaries
* wages(only for on-the-job training) may be paid when IWT is arranged between the WIB and employer; straight time only; no overtime
* curriculum development, textbooks, manuals, training software, materials and non-consumables
* other necessary and reasonable costs directly related to training

1. Incumbent Worker Training Unallowable Costs (include but not limited to):

* foreign travel
* purchase or lease of capital equipment
* encouragement or inducement of a business or part of a business to relocate from any location in the United States
* costs incurred outside the contract dates
* costs not identified in the training plan and contract

C. Procurement of Training

WIB’s have several options to determine how to provide the training needed by a business.

1. Local WIB’s may enter into contracts with training providers registered in Ohio’s Eligible Training Provider Online (ETPO) system without any additional procurement requirements. Utilization of the ETP list is for universally applicable off-the-shelf employer training and is not intended to include unique, specialized or employer specific training.
2. A business may be considered a “beneficiary” of this federal program and receive incumbent worker training assistance on a reimbursement basis. Sub recipients and vendors are not considered to be beneficiaries. In order to utilize this option, the following guidelines must be followed:
   * Business beneficiaries may receive reimbursement for their actual training costs incurred under this program subject to the guidelines and requirements of this policy.
   * Local WIB approval of a training plan is required before reimbursement may be provided to a beneficiary. The development of the training plan is the joint responsibility of the local WIB designee and the business.
   * The training plan must identify the provider of training, type of training, planned start/end dates, number of individuals to be trained, the projected cost of training and other information required by the WIB.

All training costs must be allowable as defined by this policy. Training plans must be approved by the local WIB or a WIB designee prior to the start date of training. Beneficiaries must agree to provide all documentation required by the WIB in order to be reimbursed for the training.

* + Training providers are not required to be enrolled in the ETPO system

for the purpose of providing training under this policy. WIB’s may assist business beneficiaries in identifying potential training providers. However, selection of a training provider is not subject to state or federal procurement requirements.

1. For businesses not following the guidelines in C.2 and have training needs that

cannot be offered by Ohio’s eligible training providers, local WIB’s will need to follow procurement procedures as identified in fiscal Administrative Procedure Manual Transmittal Letter (FAPMTL) No. 14 or local procurement policies if more restrictive.

Community colleges, state universities, vocational schools, technical schools, licensed private institutions, and training providers on Ohio’s statewide WIA ETP list should be used whenever possible. However, WIB’s may enter a contract for services, rather than using an ITA, if there are an insufficient number of eligible training providers on the ETP list to conduct the proposed training.

Training providers without satisfactory past performance, accreditation, curricula that leads to credentials, relevant training experience, accredited instructors, high job placement rates, and or high training completion rates, should be avoided.

1. Fiscal Reporting

Funds contracted to a subrecipient or vendor for an IWTP are reported as program cost.

The fiscal agent must track funds used for IWT by funding stream and by the year of appropriation.

The administrative cost limit remains in effect.

Funds contracted to a subrecipient or vendor for the sole purpose of performing general administrative functions, such as payroll, accounting, budgeting, and cash management for the IWTP, must be reported as administrative costs.

The accrued expenditures charged to the adult and dislocated worker funding streams must not exceed the amount authorized for the incumbent worker training program and will be monitored.

The employer must follow the county program operator’s procedures for payment/reimbursement for training per the IWT contract. Reimbursement will occur only after the completion of training and paid invoices and costs associated with the employer’s contribution have been verified.

E. Funding Request and Approval

The fiscal agent may request to draw cash throughout the program year from the office of fiscal services.

The fiscal agent’s authorized representative must sign and submit a letter via mail or fax to:

Ohio Department of Job and Family Services

Office of Workforce Development

4020 East Fifth Avenue

P.O. Box 1618

Columbus, Ohio 43216-1618

Fax: (614) 728-5938

The letter must include:

* allocation for the funding stream
* dollar amount for IW services assignable by funding stream(adult and dislocated worker) and year of appropriation(such as program year and fiscal year)
* a statement that the WIB approved the request
* email address of the fiscal agent’s authorized representative

Within 15 business days, the Office of Workforce Development will notify the fiscal agent and/or administrative entity of the approval by email.

**VI. MONITORING**

The IWT project will be monitored by the Administrative Entity and Fiscal Agent.

**VII. EMPLOYER APPEAL PROCESS**

Reference WIA 16 Policy 10-2004.

END