



LOCAL INSTRUCTION

To: Local Catawba Workforce Area

Subject: Local and Statewide Incumbent Worker Training Policy

Issuance Date: April 23, 2021

Effective Date: July 1, 2021

Purpose: To provide guidance on the operation of Incumbent Worker Training (IWT) programs funded through local WIOA Title I Adult and Dislocated Worker program funds (local IWT) and Governor's Reserve or Statewide program funds (statewide IWT). Unless otherwise specified, the provisions outlined below apply to both local and statewide IWT programs. **This policy guidance replaces State Instruction 17-03, Change 1.**

References:

- Workforce Innovation and Opportunity Act, Public Law 113-128 § 134(d)(4)
- 20 CFR §§ 680.780 – 680.820
- Training and Employment Guidance Letters 10-16, Ch. 1; 19-16
- State Instruction 19-01

Background: IWT provides both workers and employers with the opportunity to build and maintain a skilled workforce. Training is intended to assist with expansion, new technology, retooling, new services/product lines, and/or new organizational structuring, or to be used as part of a layoff aversion strategy. IWT is conducted with a commitment by the employer to retain the incumbent worker(s) trained and to increase the competitiveness of the employee and the employer.

Policy: IWT is designed to meet the needs of an employer or group of employers to retain a skilled workforce or avert layoffs. IWT can be used to either:

- Obtain the skills necessary to retain employment, such as increasing the skill levels of employees so they can be promoted within the company and create backfill opportunities for less-skilled employees, or

- relationship; and
- Have an established employment history with the employer for six months or more.

Individuals who do not have an employer-employee relationship include the following:

- Employees who are placed through a staffing or temporary agency
- Employees who receive a 1099 for tax filing purposes

When IWT is being provided to a cohort of employees, not every employee in the cohort must have an established employment history with the employer for six months or more as long as a majority of the employees being trained meet the employment history requirement. A “majority of employees” is defined as at least 51 percent of the employees in the training group or cohort. Periods of temporary employment may count towards an employee’s time with the company for purposes of meeting the six-month employment history requirement. Local Workforce Development Boards (LWDB) must develop a process for documenting the employment history requirement for IWT participants, and the agreement between the LWDB and the employer must include the employee work history requirement. LWDBs may use the Employer Self-Attestation Form to document the employer’s understanding of the employment history requirement.

Employees do not have to meet the eligibility requirements for participation in the Adult or Dislocated Worker programs, unless also enrolled as a participant in the WIOA Adult or Dislocated Worker programs.

Funding for IWT

LWDBs can use up to 20 percent of their combined Adult and Dislocated Worker allocation to cover the federal share of IWT.

Example:

If a LWDB received \$1.5 million in Adult funds and \$1 million in Dislocated Worker funds, it may use up to \$500,000 (20% of the total) for IWT. This 20 percent can only be used for program-related IWT activities.

The State Workforce Development Board (SWDB) can use Governor’s Reserve funds to cover the federal share of IWT.

Employer/Training Consortium Share

Employers/training consortia participating in IWT are required to pay the non-federal share of the cost of providing training to their employees. The non-federal share shall not be less than:

- 10 percent of the cost of training for a business location with no more than 50 employees;
- 25 percent of the cost of training for a business location with more than 50 employees, but no more than 100 employees; or

Businesses are typically in the best position to assess employee skill needs and to select the type of training and training provider that can fulfill those needs. However, LWDAs are encouraged to prioritize training that results in a credential or helps an employee advance along a career pathway in high-growth, high-demand occupations.

Training providers can be any of the following:

- Technical Colleges
- School Districts
- Adult Education Programs
- Area Vocational-Technical Centers
- State Colleges and Universities
- Licensed and Certified Private Entities/Institutions
- Industry Specific Consulting/Training Organizations
- Professional Associations/Credentialing Entities
- Registered Apprenticeship Programs

Training funded through IWT cannot be provided by employer staff, regardless of the staff person's position or credentials. Training must be provided by a training provider external to the business, and may be conducted at the business' own facility, the training provider's facility, online or remotely, or at a combination of sites.

The following types of training are **not eligible** for IWT funding:

- Periodic safety and refresher courses such as all forms of Occupational Safety and Health Administration (OSHA) trainings
- First Aid and CPR certifications
- Hazardous material handling training

International Organization of Standardization (ISO) training may be eligible for the purposes of developing a quality management system in order to earn ISO certification.

Reimbursements

IWT is a reimbursement grant program wherein the business is reimbursed for actual training costs following the completion of training.

Costs that can be reimbursed through the grant include the following:

- Training/Course Registration
- Textbooks/Manuals
- Training Materials/Supplies

Costs that **cannot be reimbursed** through the grant include the following:

submit a Final Program Report, including a trainee list, **no more than 30 days after the end of the sub-tier agreement. LWDA's are not required to submit sub-tier agreements or final reports on an IWT that is funded through local Adult/DW funds.**

Staff must maintain and store trainee/participant information in a manner that ensures confidentiality in accordance with 29 CFR 38.41 and State Instruction 16-11, Confidentiality of Equal Opportunity Records, including keeping all Personally Identifiable Information (PII) or legally sensitive information (e.g., information about divorce proceedings or custody battles) in a separate locked file. **PII and legally sensitive information must never be included in a case note or document uploaded to SCWOS.**

Performance Accountability and Reporting

IWT must be tracked in SCWOS as both an employer service and a participant activity:

- Employer service codes record the employer penetration rate and repeat business customers as required for reporting on Effectiveness in Serving Employers. Employer service code E40, WIOA State or Local IWT, must be entered in SCWOS within 15 days of executing the IWT agreement on an active employer account.
- Activity code 325, Locally-Funded IWT, is used when the employer is participating in locally-funded IWT, and activity code 360, State-Funded/Statewide IWT, is used when the employer is participating in statewide IWT. Trainee/participant activity codes must be entered within 15 days of the activity start date and closed within 15 days of the last date of activity on a registered individual account with an active WIOA application for IWT.

Individuals receiving IWT only are not considered participants for the purpose of inclusion in WIOA performance indicator calculations. However, the US Department of Labor (DOL) requires that all individuals receiving IWT be included in federal reporting. The required elements for IWT individuals are limited to demographic information and the elements needed to calculate IWT performance indicators, including employment, earnings, measurable skills gains, and credential attainment. For the purposes of calculating these metrics, the exit date for an individual who has received only IWT will be the last date of training, as indicated in the training contract.

Prior to the start of training, the business/training consortium must provide the LWDA with a list of employees who will participate. A template for the employee list is available in SCWOS under Staff Online Resources that includes sufficient documentation to identify the correct employee in SCWOS for completion of the WIOA application and entering relevant activities. LWDA's should refer to the SCWOS Instructions for IWT, found in SCWOS under Staff Online Resources, for step-by-step instructions on entering and managing employer and participant

DEW will provide standardized forms and templates for use by LWDAs in the administration of local and statewide IWT programs. The forms will be available for download in SCWOS Staff Online Resources. At a minimum, DEW will maintain the following forms/templates:

- IWT Employer Application
- IWT Employment History Self-Attestation Form
- IWT Trainee Information Spreadsheet
- IWT Pre-Award Agreement
- IWT Employers Sub-Tier Agreement
- IWT Modification Form
- IWT Quarterly/Final Reporting Form

DEW may create additional forms/templates as deemed necessary. LWDAs are required to use the most current version of these forms. Additionally, instructions for managing IWT in SCWOS are available to LWDAs in SCWOS under Staff Online Resources.

Action: Ensure that all appropriate staff receive and understand this policy.

Inquiries: Questions may be directed to Nicole Lawing, WIOA Administrator at nlawing@catawbaco.gov or 803.328.3881.



Nicole Lawing
WIOA Administrator