

THE WORKFORCE BOARD OF NORTHERN COOK COUNTY

LOCAL AREA WIA Policy 2009 – Incumbent Worker Training (IWT) Policy

TO: ALL WIA CONTRACTORS

FROM:

Jennifer Stasch
Executive Director

SUBJECT: Incumbent Worker Policy

DATE: July 1, 2009

Purpose: The purpose of this letter is to establish the policy for the Incumbent Worker Training program under the Workforce Investment Act (WIA).

References: WIA Legislation and Rules and Regulations
Illinois Department of Commerce and Economic Opportunity WIA Policy
Letter No. 05-PL-11

Background: The Workforce Board of Northern Cook County is releasing the Incumbent Worker Training policy to offer a full continuum of training services that address the needs of the existing workforce and local employers; and attract greater participation in the workforce system by local businesses.

Policy Statement:

The incumbent worker training program is developed consistent with DCEO WIA Policy Letter No. 05-PL-11. The incumbent worker training program is developed as a system-wide program. The program is developed with the employer (or association of employers) as the primary customer.

Funding

Pursuant to DCEO Policy, the Workforce Board may divert of up to ten (10) percent of the WIA allocation for incumbent worker training from each of the three WIA programs (i.e., youth, adult and dislocated workers programs). Subject to this maximum and after receipt of the WIA allocations, the amount of funds to be diverted from each program will be determined annually by the Workforce Board.

Organizations

Organizations eligible to receive funds to implement the incumbent working training program are Workforce Board contractors that have a customer training budget line item, local community colleges, or competitively procured training providers.

The organization will be responsible for:

- Recruitment of the employers;
- Coordination of training programs with the training provider;

- Development of the proposal with the employer and the training provider;
- Identification of the employer match with the employer and community college;
- Obtaining Workforce Board approval on the Incumbent worker proposal;
- Reporting costs to the Workforce Board;
- Resolving discrepancies in invoicing for training costs;
- Capturing incumbent worker data;
- Completing all Quarterly and Final reports.

Targeting

Pursuant to DCEO Incumbent Worker Training Policy requiring advance identification of industry sectors to be targeted to receive incumbent worker training services, and the targeted industries as defined in the Workforce Board's Title 1B Job Training Plan, the Workforce Board has targeted the following industry sectors:

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| ○ Healthcare | ○ Hospitality |
| ○ Manufacturing | ○ Technology |
| ○ Transportation, Warehouse & Logistics | ○ Finance |
| | ○ Insurance |

Employers

All training of incumbent workers must be provided to the specific workforce of a single employer or an association of employers in one of the targeted industries. Incumbent worker training projects may be undertaken to benefit a single employer and the employer's workforce, or a group of related employers and workers from the associated firms.

A group of employers may be locally defined. However, to be part of the group, such employers must be actively participating in a WIA funded incumbent worker training program. And such groups must be industry focused.

Workers

It must be determined that the workers, either individually or as a group, meet the following definition to be considered incumbent workers.

An incumbent worker is:

- a) An individual who has an employment relationship with either a participating employer in a targeted industry (as cited in the local WIA plan), or an employer being provided incumbent worker training as part of an economic development incentive package; and
- b) Is receiving upgrade training:
 - To increase his or her skills in an occupation in which the individual is already an incumbent, or;
 - To prepare the incumbent worker for entry into a new occupation within the targeted workforce (i.e. the workforce of the participating employer or group of employers).

A group of employers may be locally defined. However, to be part of the group, such employers must be actively participating in a WIA funded incumbent worker training program. And, such groups must be industry focused.

Note that incumbent workers are not necessarily determined eligible to receive training services on an individual basis, nor is individual documentation of eligibility required. Incumbent workers are not formally registered in the WIA program.

Training

A wide range of training topics and delivery arrangements may be proposed that will upgrade the skills of the incumbent worker. Proposed training must be closely linked to specific jobs, as well as job advancement. Proposed training must be provided by local community colleges or approved training providers.

Unapproved Training

Proposed training that is only loosely related, or is unrelated, to specific jobs, will not be approved for incumbent worker training; these include:

- Stand-alone adult basic education (ABE)
- Stand-alone English as a Second Language (ESL)
- Team building training and motivational training
- Basic computer literacy skills.

Please note that ABE and ESL training programs that are fully integrated with specific job-linked skill training are allowable.

Matching

Employers participating in the program are required to pay a non-federal share of the costs of providing the incumbent worker training.

For projects involving an individual employer, the non-federal share shall not be less than:

- 10 percent of the costs, for employers with 50 or fewer employees;
- 25 percent of the costs, for employers with more than 50 employees but fewer than 100 employees, and;
- 50 percent of the costs, for employers with 100 or more employees.

The non-federal share paid by an employer or group of employers may include the amount of the wages paid by the employer(s) to a worker while the worker is attending a training program and may include in-kind contributions.

All matching contributions must be necessary for the provision of the training, fairly valued, and verifiable. Matching costs must meet the requirements for matching and cost sharing as described in the Common Rule - Office of Management and Budget Circular A-102, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments, Subpart C, Post-Award Requirements, Section 24, Matching and Cost Sharing.

For projects involving a group of employers, the percentage of the non-federal share must be determined using one of the methodologies cited in State policy.

Allowable Costs

Subject to the approval of the Workforce Board, all reasonable and necessary costs related to the conduct of the training are allowable. However, as limited by DCEO Policy, the costs of workers

wages and fringe benefits paid while in training are allowable only as employer match contributions.

Allowable costs related to the training of incumbent workers and eligible for reimbursement through the WIA grant include:

- Tuition and school fees
- Books
- Training materials and supplies
- Pre- and Post-Testing
- Vocational counseling
- Vendor/contractor trainer costs
- Travel expenses of trainers
- Travel expenses of trainees
- Training facility costs (training off site)
- Fees for technical or professional certifications
- Refresher courses for occupational certifications

Service Plans Evaluation

When evaluating service plans proposed by the authorized organizations, the Workforce Board will consider the following criteria.

- a. Target Industry:** The employer (or the group of employers) to benefit from the training must be from one of the targeted industries (cited above).
- b. Quality of the Training:** The training proposal must be adequately specified and job specific. The curriculum must be well developed and the instructor must be judged qualified to conduct the training.
- c. Benefits to Workers:** The training should also result in benefits to the workers such as: enhanced employability, job upgrades, increased wages, and/or increased job security. Workers completing training should receive some type of written certification or acknowledgement of their successful completion.
- d. Appropriateness of Costs:** The proposed costs must be judged reasonable in relation to the type of training and the number of workers to be trained. And, all proposed costs must meet local, State and Federal cost related requirements and limitations.
- e. Matching Costs:** The minimum employer cost participation requirement must be met.
- f. Secondary Benefits:** Projects that result in “secondary benefits” will be given added consideration.

Reporting

Organizations receiving incumbent worker training grants must comply with all planning and reporting requirements, as specified in DCEO Policy Letter No. 05-PL-11 and the Workforce Board Incumbent Worker Policy.

At a minimum, the reporting requirements include the submission of an initial service plan and information about employers and workers participating in the program as well as quarterly narrative reports on project implementation.

Clawback

Participating employers must agree to repay grant costs to the Workforce Board in the event that workers receiving training are involuntarily separated from employment (without cause) due to lack

of work within two years of the completion of training. Repayment shall be on a proportionate basis, based on the portion of the two years remaining and the proportion of trainees so separated from employment.

Action Required:

This information should be disseminated to Contractor program and fiscal staff.

Inquiries:

Questions regarding any aspect of this policy should be directed to the Workforce Board's Executive Director.

Effective Date:

Immediately