



## Policy

<b>SECTION: WIOA and Business Services</b>	<b>POLICY#018-C0015</b>	<b>PAGE: 1 of 11</b>
<b>TITLE: Incumbent Worker Training (IWT)</b>		<b>EFFECTIVE DATE: 7.18.19</b>
<b>REPLACES: N/A</b>		<b>DATED: Rev. 5.21.20</b>

### **DISTRIBUTION: CAREERSOURCE TAMPA BAY STAFF**

**PURPOSE:** To provide guidance to CSTB WIOA and Business Services staff on administering Incumbent Worker Training program services.

#### **BACKGROUND:**

Incumbent Worker Training (IWT) is training designed to meet the needs of an employer or group of employers to retain a skilled workforce or avert layoffs, and increases both participants' and companies' competitiveness. Incumbent worker training is developed with an employer or employer association (group of employers) to retain a skilled workforce or avert the need to lay off employees by assisting the workers in obtaining the skills necessary to retain employment.

Workforce Innovation and Opportunity (WIOA) now allows the use (without a waiver) of local funds for Incumbent Worker Training. Under section 134(d)(4) of WIOA, local boards can use up to 20 percent of their WIOA Adult and Dislocated Worker funds to provide for the federal share of the cost of providing IWT such training services. LWDBs cannot use IWT funds for administrative activities such as office supplies. Incumbent Worker training needs to take into account the following factors:

- The characteristics of the participants in the program;
- The relationship of the training to the competitiveness of a participant and the employer; and
- Other factors the State or local boards may determine appropriate (e.g., the number of employees participating in the training, wage and benefit levels of those employees (both pre- and post-participation earnings), and the existence of other training and advancement opportunities provided by the employer).

Employers are required to pay for a significant cost of the training for those participants in incumbent worker training; this can be done through both cash and/or in-kind payments. The

wages paid to participants, while in training, may be considered as a source of matching funds. Rules for matching funds are provided in the Uniform Guidance and DOL exceptions at 2 CFR 200.306 and 2 CFR 2900.8, respectively. Under section 134(d)(4)(D) of WIOA, the minimum amount of employer share in the Incumbent Worker Training depends on the size of the employer:

<b>Employer non-Federal Contribution -% of Cost</b>	<b>Employers/ # of Employees</b>
At least 10 percent	Employers with 50 or fewer employees
At least 25 percent	Employers with 51 to 100 employees
At least 50 percent	Employers with more than 100 employees

The non-federal share provided by an employer participating in the program may include the amount of wages paid by the employer to a worker while the worker is attending a training program under IWT. The employer may provide the share in cash or in kind, fairly evaluated.

The Florida Legislature has established a statutory commitment to provide incumbent worker training for the purpose of assisting with the continuing education and training needs of existing Florida business. CSTB’s IWT Policy meets all of the requirements outlined in the CareerSource Florida Administrative Policy – FG- OSPS Employed and Incumbent Worker Training 89 revised 1.11.16 and the CareerSource Florida Work-Based Training policy #100 dated 6.11.19.

**PROCEDURE:**

The Incumbent Worker Training (IWT) Program, funded by the federal Workforce Innovation and Opportunity Act (WIOA) is administered by the CareerSource Tampa Bay (CSTB) Business Services Department. The IWT Program was created for the purpose of providing grant funding for continuing education and training of incumbent employees at existing Florida businesses. The program will provide reimbursement grants to businesses that pay for preapproved, direct, training related costs.

Incumbent Worker training provides both workers and employers with the opportunity to build and maintain a quality workforce. Incumbent Worker training can be used to help avert potential layoffs of employees, or to increase the skill levels of employees so they can be promoted within the company and create backfill opportunities for the employers. Such training is meant 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. As a result, IWT is not intended to fund the periodic safety and refresher courses necessary for a business to continue to operate (i.e. First Aid, CPR, and hazardous material handling training and Occupational Safety and Health Administration OSHA certifications) or the occupational training a new hire would need.

The program will help established Hillsborough County businesses upgrade the skills of their current employees which provides enormous benefits to include:

**For employers:**

- Increased Competitiveness
- Skilled Workforce
- Increased Productivity
- Increased Profits
- Company Growth
- Reduced Turnover

**For employees:**

- Advancement Opportunities
- Increased Job Opportunities
- Industry Recognized Credentials
- Job Retention
- Transportable/Transferrable Skills

CSTB must work with employer to identify skill gaps in their workers and develop a strategy to effectively engage the workers in a training that will provide the knowledge needed to increase competitiveness of the employees and/or employers. CSTB must determine an employer's eligibility for participating in IWT based on the following factors which help to evaluate whether training would increase competitiveness of the employees and/or employers:

- a) The characteristics of the individuals employees
- b) The relationship of the training to the competitiveness of the individual and employer;
- c) Other factors the Local Workforce Development Board (LWDB) may determine appropriate, which may include but not limited to:
  - a. The number of employees identified to participate in the training;
  - b. The employees' advancement opportunity, along with wages and benefits (both pre- and post- training earnings);
  - c. The availability of other training and advancement opportunities provided by the employer;
  - d. Credentials and skills gained as a result of training;
  - e. Layoffs averted as a result of training;
  - f. Utilization as part of a larger sector and/or career pathway strategy; and
  - g. Employer size.

For an employer to receive IWT funds, CSTB must ensure that individuals who receive training:

1. Are at least 18 years of age
2. Are a Hillsborough County resident employed with a business whose physical location is in Hillsborough County;
3. Meet the Fair Labor Standards Act (FLSA) requirements for an employer-employee relationship
4. At least one employee of the applicant business and/or a person working for the business as a staffing agency employee, working at least 37.5 hours per week and receives a W2;
5. Are a citizen of the United States or a non-citizen whose status permits employment in the United States;
6. Have established employment history with the employer for six months or more. Pursuant to Training and Employment Guidance Letter 19-16, there is one exception to the six-month requirement; which is in the event that the incumbent

worker training 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 those employees being trained meet the employment history requirement.

### **Incumbent Worker Participant Eligibility**

Participants in IWT are not required to meet WIOA eligibility criteria or priority of service unless they are also enrolled as a participant in the WIOA Adult or Dislocated Worker program. CSTB must record participant demographic information in EmployFlorida (EF) such as: SSN, age, citizenship/right to work, and compliance with the Selective Service registration requirements as this information must be reported to United States Department of Labor USDOL.

Additionally, IWT participants are subject to selection for the WIOA federally mandated data validation. Therefore, all eligibility documentation requirements apply to incumbent workers.

### **Company Eligibility**

Companies applying for an IWT grant must meet the following criteria:

- Be a “for-profit” company in the Hillsborough County
  - Generally, IWT should be provided to private sector employers; however, there may be instances where non-profit and local government entities may be recipients of IWT funds. For example, IWT may be used in the health care industry where hospitals are operated by non-profit or local government entities and a nursing upskilling opportunity is available.
- In operation for a minimum of one (1) year prior to the application date (as verified on sunbiz.org)
- Provide a description of how the training is related to the competitiveness of both the business and the employee receiving training.
  - Businesses in a qualified targeted industry
- Demonstrate a commitment to retain or avert the layoff of employees receiving training.
- Demonstrate financial viability by providing FEIN and W9
- Have at least one full-time employee (must be Hillsborough Resident AND W-2 employee). For a sole-proprietor where the business owner is the only employee, the sole- proprietor may be considered as the full-time employee.
- Have not received an IWT award in the previous or current program year.
- Have not received CareerSource Florida IWT funds in the current year for the same type of training or for different employees being requested as this would be a duplication of services.
- Identify the receipt of local, state or federal training funds through CareerSource Florida or other funders must be disclosed. Organizations receiving training cannot use grant funds to subsidize other training and/or cover the same training.

**The following businesses are not eligible to apply for funds under this program:**

- Entities whose administrations are comprised only of volunteers
- Workforce Development Boards and their administrative entities
- Labor unions
- Businesses that received an IWT award in the current or previous program year

### Available Funding & Maximum Award Amounts

IWT applications are reviewed on a first-come/first served basis until available funding has been awarded. Funding allocations will vary each Program Year. A notification will be posted on [www.careersourcetampabay.com](http://www.careersourcetampabay.com) when funds are no longer available.

The maximum amount is \$50,000 per grant per company. Additionally, the cost per trainee cannot exceed \$3,500. Companies may only apply for one IWT grant during a program year (July 1 – June 30<sup>th</sup>).

### Training Services

The IWT Program provides flexibility regarding the type(s) of training and the training provider(s). Based upon the needs of the company and their overall workforce development needs, the company chooses its own training and training provider.

More specifically, the training can be:	The following are examples of trainings that cannot be funded:
<ul style="list-style-type: none"> <li>• provided by Florida’s public or private educational institution, a <i>private training company or private instructor*</i>, a company employee, or a combination of training providers</li> <li>• at the company’s facility, at the training provider’s facility, online or remotely, or a combination of sites</li> <li>• occupational skills training designed to meet the special requirements of a business or Industry professional development (i.e., leadership training)</li> <li>• training in strategies to improve efficiency of business operations</li> <li>• technical/hard skills training such as computer software training</li> </ul>	<ul style="list-style-type: none"> <li>• CPR and First Aid</li> <li>• Hazardous material handling training, Occupational Safety and Health Administration OSHA certifications</li> <li>• New hire orientation</li> <li>• Diversity and Sexual Harassment</li> <li>• English as a Second Language</li> <li>• Degree programs</li> <li>• Workplace literacy or soft skills</li> <li>• Training that takes places where food and/or beverages are included</li> <li>• Training that includes the purchase of equipment (such as iPads or other equipment/supplies/devices that can be used outside of training) in the cost of the training</li> </ul>

*\* Private training companies, institutions and instructors may be utilized upon a review that includes, but is not limited to, accreditation and licensure and prior approval by CareerSource Tampa Bay. The training provider’s website address and instructor’s resumes must be provided.*

### Costs

Reimbursable Training Expenses	Non-Reimbursable Costs
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<ul style="list-style-type: none"> <li>• <i>With proper documentation, the following direct training costs/expenses are reimbursable through the IWT grant:</i></li> </ul>	
<ul style="list-style-type: none"> <li>• <b>Tuition/Training/Course Cost</b></li> <li>• <b>Instructors' Wages</b> capped at: <ul style="list-style-type: none"> <li>• \$35/hour for company employees delivering the training,</li> <li>• \$200/instructor hour for vendor training</li> </ul> </li> <li>• Other Costs: (limited to copies or slides at \$.03 per copy, training DVD's or tapes)</li> <li>• <b>Textbooks/Manuals:</b> (limited to course content only – no certification or exam preparation materials, capped at \$100/textbook and/or manual)</li> <li>• <b>Curriculum Development:</b> (limited to two hours for every one hour of training) The majority of the grant amount will be dedicated to the actual training. No more than 25 percent of the entire grant will be allowed for curriculum development.</li> </ul>	<ul style="list-style-type: none"> <li>• Compensation or consultant fees not directly related to the provision of training</li> <li>• Costs incurred prior to the signing of the contract</li> <li>• Capital improvements</li> <li>• Travel</li> <li>• Training equipment</li> <li>• Food</li> <li>• Membership fees/dues</li> <li>• Conferences</li> <li>• Test/Exam Fees</li> <li>• Company web site design and development, web site hosting, and maintenance, software upgrade, advice on computer selection for purchase and upgrade</li> <li>• Purchase of any item or service that may be used outside of the training project (including computer equipment and non-training related software)</li> <li>• Costs incurred prior to CSTB's approval of the IWT application/agreement</li> </ul>

## Reimbursement Rate and Process

Adequate documentation of the training is required for all expenses incurred and paid. ***Businesses must provide the required documentation for reimbursement based on the % of costs outlined in the table on page 2, i.e. instructor's wages/tuition, curriculum development, and textbooks and manuals.*** \*Please note that if the instructor is a business employee, the business will be required to provide a minimum of 50 percent of the \$35/hour cap.

## Application Process

The IWT Program Application must be completed online (emailed, mailed or faxed applications will not be accepted). The online application is the only document that may be utilized to apply for the IWT grant.

Employers are strongly encouraged to submit their IWT application a minimum of 30 business days prior to the desired start date of training. Failure to submit the IWT application within 30 business days prior to the desired start date of training may cause valuable training to be missed. Submittal within this timeframe doesn't guarantee approval of the IWT Application.

## Funding Criteria

The application along with supporting documentation will be reviewed by the IWT staff to ensure that:

1. The IWT application is complete and required supporting documents have been submitted (as outlined in the checklist). *Please note that incomplete IWT applications (those missing required information and documentation) will not be processed until all required information is received.*
2. The proposed training is reimbursable training.
3. The program objectives and outcomes (avert layoffs, retain trained employees, increase competitiveness of business and trained employees achieve certifications, create new jobs, develop transferable skills, increase profitability, etc.) are clearly stated.
4. The application clearly describes the training to be delivered and clearly states the training objectives noted above.

### **Notification of IWT Grant**

Once the application has been reviewed, an email will be sent to the company contact listed in the IWT Application advising of the pre-approval, and the pre-approved grant amount.

### **Grant Contract**

Within a few weeks of the grant approval, the contract between CareerSource Tampa Bay and the employer will be prepared and sent electronically. The contract will then be returned via email to CareerSource Tampa Bay designated IWT staff. Once received, CSTB staff will review and execute the contract. The executed contract will then be emailed to the company.

No training can occur and no reimbursements will be made until the contract is fully executed and participant eligibility is fully documented. Training which began prior to the execution of the IWT Training contract cannot be reimbursed.

All grant projects shall be performance based with specific measurable performance outcomes – including the completion of the training project and number of employees trained.

### **Contract Terms**

The contract will set forth all processes and expectations for administering, implementing and completing the IWT training. If the contract is not executed within the 30-day time frame, the grant award becomes null and void unless permission is granted by the CEO or his/her designee.

### **Length of Contract**

Training must be completed within 6 months from the date of approval. From there, the company will have 45 days to submit final reimbursement requests for training completed during the contract period.

## **Extensions**

There is no provision in the contract for extensions. A business is expected to have carefully assessed its training needs so that it will apply only for funds needed for training that can be completed in a six (6) month period.

## **Reporting Requirements**

- **Training Progress Reporting:** The IWT program staff expects to have ongoing communication with businesses regarding the progress of training. If training is occurring this is sufficient. However, if no training has occurred, then on a monthly basis, businesses are expected to have some form of communication with IWT program staff, which may include course substitution requests, e- mails or phone calls. If no communication has occurred, the Business Services IWT designated staff will reach out to the company contact to inquire regarding the status of the training project.
- **3-Month Status Report:** Businesses are required to submit a 3-month status report regarding their usage of funds and training plans for the remainder of the grant period. Failure to submit this report to the Business Service IWT designated staff on or before the 3-month mark may render the contract null and void. The IWT staff will advise of the specific requirements of this report, to include content, time frame, and other matters with information to be included with a copy of the executed contract.
- **Final Training Evaluation:** At the completion of the grant, a final report on the training is due no later than 45 days from the end of training. The final training evaluation will be included with the reimbursement instructions. Once this is received, the final reimbursement will be released. (Businesses will also need to keep accurate records of the project's implementation process to certify that all information provided for the purpose of requesting reimbursements and reporting training activity is accurate and true for a period of at least five (5) years.)

## **Trainee Information**

In addition to the reporting requirements listed above, there are specific reporting requirements regarding the individual employees who have received training.

The information, at a minimum, will include:

- Legal Name of Trainee
- Social Security Number
- Verification of Citizenship Status/Authorization to Work
- Age
- Selective Service Registration Status
- Hourly Wage
- Date of Hire



## Employer Reporting Requirements

Throughout training, the business must provide and maintain sufficient documentation of outcomes of training including:

Title and a description of training	Number of employees who earned a promotion
Type and a description of the credential(s)	Number of new jobs created
Number of employees who completed the training program	Number of existing jobs saved
Number of employees who earned a credential	Layoff or closure
Dates of training	Other outcomes
Number of employees who earned a wage increase	

As outlined above the employer is required to submit program reports at various intervals throughout the program and a final program report within 45 days of the training Actual End Date. The information listed above will be required for submission of these reports and data entry, and may be needed for any additional reporting required by CSTB.

The final payment for expenditures incurred as a result of the IWT program must be withheld until the Final program Report is submitted and all documentation of performance criteria specified in the agreement have been received.

## Substitution Requests

The business is expected to assess its immediate training needs and apply only for funds needed to meet those needs within a 6-month time frame. The application is approved based on the training outlined in the proposal. If the approved training needs change, a substitution can be requested on the provided form to change the course or the training provider. There is a maximum of two substitution requests per lifetime of the grant. The IWT staff will evaluate the request and the business will be notified via email of the approval or denial of the substitution. Please note for any substitution requests being made the training cannot start prior to the authorization of substitution by CareerSource Tampa Bay IWT program staff.

## Reimbursement Process

Businesses may request reimbursement at the end of each training program or hold until the end of all training programs during the 6-month period/training contract. Reimbursements will be made in direct correlation with the business's training progress. The percent of funds reimbursed must stay equal to or less than the percent of trainees that have been trained to date. All reimbursement must be submitted within 45 days of the contract end date. Reimbursement requests received after the 45-day cutoff will not be processed as they are considered null.

## **Invoicing and Payment**

Business Service IWT program staff will track the completion of IWT trainings and work directly with employers to ensure that required IWT reimbursement forms and supporting documentation is submitted timely for processing.

## **Monitoring**

Monitoring and evaluation of the IWT program plays a critical role in insuring that the goals of the IWT are achieved. Any IWT Agreement deviations noted should be dealt with promptly, either with a corrective action plan or by suspension or termination of the agreement if serious violations have occurred. All visits to the business should be documented in the business EF account file and electronic file. The entry should identify when the visit was made, what was observed, who was interviewed, a synopsis of the content of the conversation, and any items of concern that need to be addressed.

Additional programmatic monitoring will be conducted throughout the PY by our internal Program Monitor under the direction of our Director of MIS and Data. Financial monitoring will be handled by our Director of Fiscal Compliance.

Participating employers must agree to cooperate with monitoring efforts by the US Department of Labor, state Department of Economic Opportunity and Career Source Tampa Bay. Employers must also adhere to all other applicable local, state and federal rules and regulations.

## **Modifications**

Modifications to the IWT contract may be needed. The Business Services IWT staff would be required to submit a CSTB Agreement Modification IWT Agreement and specify the purpose of the modification, total training hours and maximum reimbursement. This requires the CSTB CEO or designee signature approval before any agreement modifications can be fully executed.

- The Chief Executive Officer, Chief Operating Officer and designee are hereby authorized to execute IWT Agreements.
- If necessary during the IWT process, CSTB will accept electronically submitted scanned or faxed documents with signatures of the representatives that have legal authority to contract and bind the respective organization in their capacity as a signatory official.

## **Waivers**

The CEO or his designee can waive the training completion timeframe for an additional 90 day duration, based on unforeseen circumstances beyond the employer's control such as: natural disasters, national pandemic, etc. The Director of Business Services will be required to submit a written request to COO outlining the specific circumstances surrounding the nature of the request. The COO will review the request and submit to the CEO for consideration. If CEO approves the waiver all parties will be notified.

This will require a CSTB Amendment to the Contract Modification allowing the employer an additional three (3) months from the original expiration date of the Agreement.

For any changes to the IWT Budget categories, the employer will be required to complete Budget Change Request Form. This will require approval from the Chief Financial Officer of CareerSource Tampa Bay.

### **Authority**

- Workforce Innovation and Opportunity Act, Title I, Public L. No 113-128 Section 134(d)(4)
- Workforce Innovation and Opportunity Action: Joint Rule for Unified and Combined State Plans, Performance Accountability, and the One-Stop System Joint Provisions, Vo. 80, No. 73 Fed. Reg., 20573 (proposed April 16, 2015) (to be codified at 20 C.F.R. pts. 680.780, 680.790, 680.800, 680.810, 680.820, 682.210(b) and 682.320(b)(3).
- TEGL 3-15 Guidance on Services Provided through the Adult and Dislocated Worker Program under the Workforce Innovation and Opportunity Act (WIOA) and Wagner Peyser, as Amended by WIOA, Guidance for Transition to WIOA Services
- Uniform Guidance and DOL exceptions at 2 CFR 200.306 and 2 CFR 2900.8

**INQUIRIES:** Any questions about this policy should be directed to the Chief Operating Officer or Director of Business Services.