



Incumbent Worker Training Grants Subject:

Incumbent Worker Training (IWT) Grants Eligibility Requirements and Funding Allotment Procedure.

Updated: July 28, 2022

Purpose:

This policy communicates requirements and procedures issued by Tennessee Department of Labor and Workforce Development and adopted by the State Workforce Development Board for the purpose of allotting Incumbent Worker Training (IWT) grant funds. In addition, the policy sets forth the guidance on requirements for eligibility of both training recipients and their respective employers as grantees.

References:

Workforce Innovation and Opportunity Act (WIOA), Title I, Pub. L. No. 113-218, Section 134(d)(4)(A), Section 134(d)(4)(A)(i), Section 134(d)(4)(C), Section 134(D)(4)(D); 2 CFR 200.306; 20 CFR. 680.780, 680.790, 680.800, 680.810,

680.820, 682.210(b), 682.320(b)(3)-(4); TEGL 3-15.

Background:

The Workforce Innovation and Opportunity Act (WIOA) establishes a framework to assist unemployed adults and dislocated workers in attaining employment that provides a self-sufficient wage based on the policy established by the LWDBs. The WIOA recognizes that employed workers may also require help in order to obtain or retain jobs that lead to self-sufficiency. It allows the use of up to 20% of local Adult and/or Dislocated Worker formula funds to serve employed workers and encourages states to use their state-level funds to develop innovative incumbent worker programs. The Tennessee Department of Labor and Workforce Development and the State Workforce Development Board have established a policy to assist workers enrolled in the (IWT) grant to provide skills necessary to retain employment with a commitment by the employer to retain or avert the layoff of these workers.

Policy and Procedures:

In order for a business or employer to qualify for an IWT grant, it must meet all the following criteria:

1. Grantee must be classified as a Tennessee for-profit business (or a not-for-profit business

- in health care)
2. Must be in operation for at least one year
 3. Must employ at least five full-time employees
 4. Must be current on all local, state, and federal tax obligations
 5. Must be a financially viable business not currently or recently experiencing, not expecting to experience, a bankruptcy
 6. Must not appear on any federal or state suspensions or debarment list using the Unique Entity Identifier (UEI) in sam.gov.

Incumbent Worker Eligibility Criteria:

An incumbent worker must fulfill the following requirements:

1. A U.S. citizen or individual legally entitled to work in the U.S.
2. Age 18 or older
3. Registered for the Selective Service unless an exception is justified (Selective Service requires registration of all males who are 18 or older and born on or after January 1, 1960).
4. Employed
5. Meet the Fair Standards Act requirements for an employer-employee relationship (information regarding this requirement can be found at <http://dol.gov/whd>)
6. Have an established employment history with the employer receiving the grant for six (6) months or more (which may include time spent as a temporary or contract worker performing work for the employer receiving IWT funds). There is one exception to the six (6) month requirement, which is that in the event that 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 (6) months or more as long as a majority of those employees being trained meet the employment history requirement. The trainee hire date will be verified on the *LWDB – WIOA Incumbent Worker Application*.

Employer Eligibility Criteria:

The following factors must be considered when determining the eligibility of employers to receive WIOA funds to provide training to incumbent workers using either local Adult and/or Dislocated Worker formula funds:

1. The characteristics of the incumbent workers to be trained and how they would benefit from retention or advancement - consideration should be given to employers who propose to train individuals with barriers to employment as defined in WIOA Section 3(24).
2. The quality of training - whenever possible the training should allow the participant to gain industry-recognized training experience and/or lead to industry-recognized credentials and/or an increase in wages
3. The number of participants the employer plans to train or retrain
4. The wage and benefit levels of participants both before and after training
5. The occupation(s) for which incumbent worker training is being provided must be in demand for that industry

To be eligible for the IWT grant an employer must fulfill the following requirements:

1. Be in an in-demand industry as determined by Jobs4TN labor market information; or
2. Be in an in-balance industry as determined by jobs4TN labor market information
3. Be in a declining industry, but there are compelling reasons (e.g., evidence of long-term viability of the employer) justifying investment in incumbent worker training
4. Current in unemployment insurance and workers' compensation taxes, penalties, and/or interest or related payment plan and be current on all fees/fines/local/state/federal taxes
5. Must not have filed bankruptcy in the past 12 months or is not planning to file for bankruptcy

Each of the above factors leading to the approval of an incumbent worker training project with an employer must be documented and placed in the contract file.

Employer Share of Training Costs:

Employers participating in incumbent worker training are required to pay the non-WIOA (non-federal) share of the cost to provide training to their incumbent workers (WIOA Sections 134(d)(4)©-(D) and 20 CFR 690.820).

The employer share is based on the size of the workforce as follows unless otherwise waived:

1. At least 10% of the cost for employers with 50 or fewer employees
2. At least 25% of the cost for employers with 51 to 100 employees
3. At least 50% of the cost for employers with more than 100 employees

Employer cost share contributions must be tracked and documented in the contract file. Wages paid to the participant while in training can be included as part of that share, which can then be provided as cash or in-kind that is fairly evaluated. In addition, the methodologies for determining the value of in-kind contributions must be documented in the contract file and conform to cost sharing requirements at 2 CFR 200.306.

Costs That May Qualify for Reimbursement:

Grant funding may reimburse all or part of the costs (provided that the employer has proper documentation) of training eligible employees.

Reimbursable Training Expenses

1. Instructors'/trainers' salaries (capped at actual amount or \$50/hour if company trainers are used, whichever is less).
2. Curriculum development not to exceed 5% of total State obligation (curriculum development is defined as the time necessary for company officials to determine training needs or the actual development of curriculum)
3. Textbooks and manuals
4. Materials and supplies
5. Tuition expense (tuition is defined as instruction provided by an institution regulated by

the Tennessee Higher Education Commission)

Non-Reimbursable Costs

1. Trainee's wages
2. Purchases of capital equipment
3. Purchase of any item or service that may possibly be used outside of the training project
4. Travel expenses of trainers or trainees
5. Assessment, testing, or certification fees
6. Language training unless specific to terms of employment
7. Advertisement or recruitment
8. Any costs not approved in the final subrecipient agreement

Grant Award Determination: LWDB Regional Determination

Local Workforce Development Areas must follow the TDOL guidance prior to entering into any regional agreements: Local Workforce Development Areas must work within their regional (East/Middle/West) planning structure in accordance with the adopted regional plans to review and consider each application based on the scores reflected in the criteria.

Grant Activities and Grantee/ Applicant Requirements:

Training Services

1. All training must be completed by the last day of the specific program period. All programs need to have end dates that complete training no later than the end of the grant contract date. All training should have specific start and end dates.
2. Training can be provided through Tennessee's public or private educational institutions, private training organizations, trainers employed by the business, or a combination of training providers.
3. Training can be conducted at the business's own facility, at the training provider's facility, or at a combination of sites.

Grant Awards Requirements

1. Businesses approved for funds must enter into a contract with their LWDB. The contract commits the business to complete the training as proposed in its application, as well as committing to compliance with all applicable local, state, and federal laws.
2. Approved budget items are reimbursed upon presentation of adequate documentation of the training and evidence that the training expense incurred has been paid.
3. Businesses must submit reimbursement requests in the timely manner agreed upon between the LWDB and company in the contract, with required support documentation, to their LWDB representative.
4. The employer share is based on the size of the workforce (refer to page 4-5 of this document).
5. Businesses will keep accurate records of the project implementation process and certify that all information provided, for the purpose of requesting reimbursements and reporting

- training activity, is accurate and true.
6. Businesses approved for funds must complete LWDB and state required reports.
 7. Any other contract provisions established by the LWDB.


Status Report Requirement

Businesses approved for funds must complete LWDB and state required reports.

Project Completion

All grant projects shall be performance based with specific measurable performance outcomes including but not limited to the following:

1. Completion of the training project
2. Number of employees trained
3. Beginning and ending wages of trainees
4. Date of birth of trainees
5. Customer satisfaction
6. Final payment for businesses receiving IWT grants will be withheld until the final report is submitted and all performance criteria specified in the grant have been achieved.
7. Businesses shall provide sufficient documentation (including proof of eligibility to work in the U.S.) to the LWDB for identification of all employee participants for calculation of performance measures required by WIOA, and for any other outcomes deemed pertinent to the grant administrator.
8. When an IWT grant award is made it is for the completion of specific training components. If the company does not complete those training components by the end of the contract period, its final reimbursement will be pro-rated to bring its total reimbursement for the project in line with the actual training components complete



Jerry Mansfield, Executor Director
South Central Tennessee Development District



Date



Mark Short, Chair
Local Workforce Development Board



Date