

<b>SERVICE DELIVERY</b>	<b>Work Based Training</b>
<b>Classification:</b>	Title I Adults, Dislocated Workers, Youth
<b>Date Adopted:</b>	01/25/18
<b>Background:</b>	<p>Work-Based training presents additional opportunities for fostering increased employer partnerships as these types of training allow employers to train their employees while continuing to be productive members of the workforce. The purpose of the Work-Based Training policy in the WIOA Title 1 Adult, Dislocated Worker and Youth programs is to provide procedures for implementing and managing these training contracts. Allowable Work-Based Training activities under WIOA include On-the-Job Training, Incumbent Worker Training, Registered Apprenticeship training, Work Experience, Transitional Jobs, Customized Training, and Pre-Apprenticeship Training.</p>
<b>Policy:</b>	<p><b>On-the-Job Training (OJT)</b>  On-the-Job Training is defined by the Workforce Innovation and Opportunity Act (WIOA) Section 3(44) as training by an employer that is provided to a paid participant while engaged in productive work in a job that provides knowledge or skills essential to the full and adequate performance of the job; is made available through a program that provides reimbursement to the employer of up to 50 percent of the wage rate of the participant for the extraordinary costs of providing training and additional supervision related to the training; and is limited in duration as appropriate to the occupation for which the participant is being trained, taking into consideration the content of the training, the prior work experience of the client and the service strategy of the participant as appropriate.</p> <p>The goal of OJT is to prepare the participant for permanent, unsubsidized employment through placement with a contracting employer in a demand occupation or position leading to self-sufficiency.</p> <p><b>General Provisions</b></p> <ol style="list-style-type: none"> <li>1. Staff may approve an OJT application based on the employer's compliance with the laws and regulations of the state, as well as availability of WIOA funds. The application would also meet a minimum score of 10 on the LWDA2 OJT Matrix score sheet, and approved by the Dean of Workforce Development.</li> <li>2. The training policy is based on Specific Vocational Preparation (SVP) Codes from O-NET occupational titles that reflect the amount of time required to learn job skills. OJT is not authorized for occupations with a SVP of less than 3. The maximum authorized training hours for specific SVP Codes are 320 hours for SVP 3, 480 hours for SVP 4, 640 hours for SVP 5, 800 hours for SVP 6, and 960 hours for SVP 7. The authorized training hours may be adjusted based on such factors as education and prior work experience. The Dean of Workforce Development must approve hours above 960 for advanced OJT or registered apprenticeship training.</li> <li>3. The total amount of each OJT contract is limited to \$20,000, unless the Dean of Workforce Development approves a higher amount.</li> <li>4. The amount paid to the employer for each OJT trainee shall be a maximum of \$2,000 or 50 percent of the trainee's hourly wage during the training period,</li> </ol>

whichever is less, unless the Dean of Workforce Development approves an increased amount.

5. Payment to employers for each OJT trainee shall be a one-time lump-sum payment after training is completed, provided the trainee is still employed and is expected to work at least 30 hours per week.
6. Invoicing shall be made to WIOA Fiscal within 45 days of the last day of training.
7. Staff will update the local board at each quarterly meeting by presenting a report to be reviewed by the AJC Oversight Committee and included in the board briefing book. The board may make inquiry regarding OJT at any time by contacting the Coordinator of WIOA Employer Services.
8. The Dean of Workforce Development may approve an exception to this policy when warranted by unique OJT opportunities that may arise. Exceptions to the policy must be documented in the participant case files.

#### **Participant Eligibility**

OJT training opportunities must be identified as an appropriate activity for WIOA eligible program participants on the Individual Employment Plan (IEP). The IEP and/or case notes will specify goals of the OJT training by identifying the purpose of the activity and the expected outcome.

After an interview, evaluation, assessment or career planning, an AJC Career Specialist determines that the participant is:

- A. Unlikely or unable to obtain employment that leads to economic self-sufficiency or wages comparable to, or higher than, wages from previous employment through career services;
- B. In need of training services to obtain or retain employment leading to economic self-sufficiency or wages comparable to, or higher than, wages from previous employment through career services; and
- C. Posses the skills and qualifications to participate successfully in training services.

#### **Employer Eligibility**

1. Employers participating in work-based training must be registered with Internal Revenue Service (IRS), have an account with Unemployment Insurance, and carry worker's compensation insurance (Federal Register Vol. 81, No. 161, Page 56117).
2. The employer must be financially solvent and have an adequate payroll record keeping system that tracks hours worked, gross pay, deductions and net pay.
3. The agreement between the LWDB and the employer will not displace any currently employed worker (WIOA Section 181(b)(2)(A)). Agreements will not be made with an employer who has terminated any regular employee, or otherwise reduced workforce, in order to hire an OJT employee.

4. No contract may be written with a company that has relocated (for the first 120 days after beginning operations), if the move has resulted in any employee job losses at the original location (WIOA Section 181(d)(2)). To verify that the relocation has not resulted in a loss of employment, WIOA program staff and the OJT employer must complete a Standardized Pre-Award Review (Employer OJT application).
5. The employer must not currently be involved in a labor dispute or have workers currently in a layoff status. (20 CFR 680.840).
6. Employees may not work on construction, maintenance or operation of any facility that is used for sectarian activities. (WIOA Section 188(a)(3)).
7. The prospective employers must not meet the existing "pattern of failing to provide OJT participants with continued long-term employment as regular employees with wages and employment benefits". (20 CFR 680.700(b)).
8. The Employer must not illegally discriminate in training or hiring practices because of race, color, sex, national origin, religion, disability, political beliefs or affiliation, or age (WIOA Section 188 (a)(2)).

#### **Monitoring**

1. OJT contracts and participant files shall be monitored locally as part of the program and fiscal monitoring process, and by the state during the WIOA Programmatic Review process.
2. Onsite monitoring shall be conducted by the WIOA Coordinator of Employer Services before finalization of an OJT contract. This visit will be to verify the job, the training aspects and the ability of the company to provide training.
3. A final monitoring will occur with each OJT participant once a valid invoice has been received indicating the successful completion of training. The AJC Career Specialist will meet with the trainee and employer to verify completion of training by collecting payroll or similar records to demonstrate met hours and completing the OJT participant interview form.
4. Additional visits as determined appropriate may be conducted during the contract period.
5. The WIOA Coordinator of Employer Relations shall review each OJT contract to insure no deviations from the work-based training contract.

#### **Incumbent Worker Training (IWT)**

Incumbent Worker Training provides both workers and employers with the opportunity to build and maintain a quality workforce and is governed by sections 20 CFR 680.780 through .820 of the Final Rule. IWT is designed to meet the needs of an employer (including a group of employers) to retain a skilled workforce or avert layoffs. IWT is not permitted to be used to provide the occupational training a new hire needs.

### **General Provisions**

1. Under WIOA Section 134(d)(4)(A)(i), LWDBs can use up to twenty percent 20% of their adult and dislocated worker funds to provide for the Federal share of the cost of providing incumbent worker training. IWT may be used to avert potential layoffs, to increase the skill levels of employees so they can be promoted within the company and create backfill opportunities for the employers or provide process improvement that contributes to the competitiveness and productivity of a business.
2. If LWDA2 elects to utilize a portion of their formula WIOA Adult and Dislocated Worker funding to support IWT, local policy and procedures shall be consistent with federal and state policy. The LWDA2 will follow the guidance set forth for eligibility of both training recipients and their employers as grantees as provided through the Consolidated Business Grant block monies provided to LWDA2.
3. Employers participating in IWT are required to pay the non-WIOA (non-federal) share of the cost to provide the training to their incumbent workers (WIOA Sections 134 (d)(4)(C)-(D) and 20 CFR 680.820).  
The employer share is based on the size of the workforce as follows:  
10% of the cost for employers with 50 or fewer employees  
25% of the cost for employers with 51 to 100 employees  
50% of the cost for employers more than 100 employees
4. Businesses approved for funds must complete a monthly status report.
5. Final payment for businesses receiving IWT funds will be withheld until the final report is submitted demonstrating the completion of training and all fiscal criteria specified have been achieved.

### **Participant Eligibility**

An incumbent worker must fulfill the following requirements:

\*Be a U.S. citizen or individual legally entitled to work in the U.S.

\*Be age 18 or older

\*Be 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)

\*Be Employed

\*Meet the Fair Labor Standards Act requirements for an employer-employee relationship (information regarding this requirement can be found at

<http://www.dol.gov/whd>),

and have an established employment history with the employer receiving the grant for six months or more.

\*There is one exception to the six month requirement, which is that in the event that 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 those employees being trained meet the employment history requirement.

**Employer Eligibility**

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

1. 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, nor expecting to experience, a bankruptcy
6. Must not appear on any federal suspensions or debarment list.

**Monitoring**

1. IWT contracts and participant files shall be monitored locally as part of the program and fiscal monitoring process, and by the state during the WIOA Programmatic Review process.
2. Onsite monitoring will be conducted by the WIOA Coordinator of Employer Relations and the LWDA2 Fiscal Agent for IWT contracts. This visit will be to verify the payments made to the training provider/s, document a sample of wages paid during training, and to document completion of training.
3. Additional visits as determined appropriate may be conducted during the contract period.
4. The WIOA Coordinator of Employer Services shall review each OJT contract to insure no deviations from the work-based training contract.

**Registered Apprenticeship (RA)**

Registered Apprenticeship is an important component of potential work-based training and employment services that the LWDA2 can provide to its customers. The LWDA2 will seek opportunities to use RA as a career pathway for job seekers and as a job driven strategy for employers. Section 122(a)(3) of WIOA provides opportunity for RA programs to be more directly connected to the public workforce system.

RA is an employer-driven, “earn while you learn” training model that combines On-the-Job training with job-related classroom instruction tied to the attainment of industry recognized skills standards. The goal is to provide workers advanced skill sets that meet the specific needs of the employer.

**General Provisions**

1. Registered Apprenticeships shall automatically qualify for the state’s eligible training provider list.
2. The OJT is provided by the employer who hires the apprentice, although some employers also provide the job-related classroom instruction.

3. WIOA funds may potentially be used to support placing participants in both OJT and classroom portions of the program. The employer may enter into an OJT contract in support of their RA for up to \$2,000 per year for a maximum of two years. The RA participant may potentially also qualify for an Individual Training Account of up to \$2,000 per year for a maximum of two years for RA classroom training support. The Dean of Workforce Development may approve increased amounts and time when warranted. Any approved increased amounts will be documented in the participant files.
4. Upon completion of a RA program, participants receive an industry issued, nationally recognized credential that certifies occupational proficiency and is portable (WIOA Section 122(a)(2)(A)).
5. The LWDA2 may also include supportive services, in coordination with career and/or training services, to participants in a RA program. These supportive services must be consistent with WIOA Section 134(d)(2), TEGL 19-16 and the LWDA2 support services policies.

**Participant Eligibility**

Will be the same as for an OJT participant.

**Employer Eligibility**

Will be the same as for an OJT contract with the addition of sponsoring a Registered Apprenticeship with the U.S. Department of Labor.

**Monitoring**

Will be the same for OJT and ITA training participants with the addition of the following: Participants in a registered apprenticeship must be identified as such in VOS so as to provide the state with complete and accurate reporting of these activities as required and found in TEGL 19-16.

**Transitional Jobs**

Transitional jobs are defined as time-limited, subsidized (wage-paid) work experiences in the public, private, or nonprofit sectors. This activity shall be used to assist participants experiencing chronic unemployment or who have an inconsistent or minimal work history to develop basic work skills and a positive work history that can lead to entry level unsubsidized employment positions.

Under WIOA Section 134(d)(5), LWDA2s may use up to ten percent of their adult and dislocated worker funds to provide transitional jobs to participants. If LWDA2 has the opportunity to provide Transitional Jobs to eligible participants, the LWDA2 will use the Youth Work Experience Policy to provide the guidance with this service delivery.

At the completion of the transitional employment period, the employer may choose to employ the participant, but employer participation in this activity does not include the expectation of continuing employment.

**Customized Training**

Customized training is training designed to meet the special requirements of an employer (including a group of employers) that is conducted with a commitment by the employer(s) to employ all individuals upon successful completion of the training.

A contract shall be developed between the employer(s) and the LWDA2 detailing the responsibilities of each party in the customized training process.

The employer(s) shall be required to pay a minimum of 50% of the cost of the customized training. These cost shall include the expense of the training provider, materials required for the training, and any required space or equipment needs.

**Monitoring**

Customized Training contracts and participant files shall be monitored locally as part of the program and fiscal monitoring process, and by the state during the WIOA Programmatic Review process.

**Pre-Apprenticeship Training**

A pre-apprenticeship is a program designed to prepare individuals to enter and succeed in a registered apprenticeship program.

**General Provisions**

1. These programs will have a documented partnership with at least one registered apprenticeship program sponsor. Training and curriculum will align with sponsors RA.
2. Pre-apprenticeship programs may be developed using industry-based training and/or classroom instruction.
3. LWDA2 Work-Based Training Policies will be applied to selected training components of a pre-apprenticeship.

**Other Permissible Local Activities**

The Tennessee Department of Labor and Workforce Development (TDLWD) and the State Workforce Development Board (SWDB) have established policies to assist business by providing their workers an opportunity to enroll in training programs such as Incumbent Worker Training (IWT), On-the-Job Training (OJT), and Apprenticeship Training Grants (ATG). These programs provide the skills necessary for them to compete in the current economic environment. These block funds, such as the Consolidated Business Grant (CBG), provides the LWDB2 opportunities to sponsor these programs based on needs of the employer allowing the local area the flexibility in utilizing the appropriate funding as needed.

References: Workforce Innovation and Opportunity Act, Title 1, Pub. L. No. 113-128, Section 134(d)(4)(A), Section 134 (d)(4)(A)(I), Section 134(d)(4)(C), Section 134(d)(4)(D), 2 CFR200.306; CFR. 680.780, 680.790, 680.800, 680.810, 680.820, 682.210(b), 682.320(b)(3)-(4); TEGL 3-15.

**General Provisions**

1. It shall be the policy of the LWDA2 to prioritize the utilization of these funds as they are made available to the local area.
2. LWDA2 will allow employers to apply for appropriate training programs, using the CBG and other block monies, up to a \$25,000 maximum pending availability of funds. Request may be taken for greater than \$25,000 but will require review from the state to ensure the utilization of funds is appropriate and in accordance with regional and local plans.
3. A copy of each locally approved contract utilizing the CBG funds will be forwarded to TDOL, Business Services Director and Business Services Coordinator.
4. For a business to qualify for a CBG or other block funds, it must meet all of the following criteria:
  - \* Must be for-profit business (or a not-for-profit) business in health care
  - \* Must be in operation for at least a year
  - \* Must employ at least five full-time employees
  - \* Must be current on all local, state, and federal tax obligations
  - \* Must be financially viable business not currently in, nor expecting to file for bankruptcy
  - \* Must not be on any federal suspensions or debarment list
  - \* Must be in an in-demand or in-balance industry as determined by the LWDA2
  - \* Be in a declining industry with justifying reasons for eligibility of a CBG
  - \* Be current in unemployment insurance and worker's compensation, taxes, penalties, interest, and are up to date on all fees, fines, local, state, and federal taxes.
5. All CBG and other block funded contracts shall be performance based with specific measurable performance outcomes including:
  1. Completion of the training project
  2. Number of employees trained
  3. Beginning and ending wages of trainees
  4. Customer satisfaction
6. When a CBG or other block funded contract 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 prorated to bring its total reimbursement for the project in line with the actual training components completed.
7. All CBG or other block funded contract recipients will agree to follow all state provided guidance in regards to application, contracting, and reporting.
8. All training components including OJT, IWT and RA supported by a CBG contract award will follow the work based training policies of the LWDA2 in addition to any requirements made by the state regarding application, contracting, enrollment, training, and reporting.

**LWDA2 Work-Based Training**

The LWDA2 will prioritize Work-Based Training opportunities and market them to create opportunities for participants and employers. The LWDA2 will review and budget annually to determine the effective levels of support for work-based learning opportunities, realizing these programs provide high-quality employment opportunities to participants and skilled job seekers more expediently.