

WIOA Incumbent Worker Training Program Guidelines

PROGRAM DESCRIPTION

The Incumbent Worker Training (IWT) Program provides funding to help cover the costs of training needed to retain a competitive workforce. 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 Occupational Safety and Health Administration certifications) or the occupational training a new hire would need.

IWT is funded by the Federal Workforce Innovation and Opportunity Act (WIOA).

BUSINESS ELIGIBILITY

Applications are open to all South Carolina employers. Employers applying for IWT funding must have at least one (1) full-time employee other than the owner of the business and be current on all state tax obligations.

Training entities and city, county and state governments are not eligible for IWT funding. Businesses receiving services through ReadySC™ may be eligible for IWT so long as the training funded is not a duplication of services. IWT funds are not available to a business that has relocated, if that relocation resulted in the loss of jobs at the original location, until the company has operated at that new location for 120 days.

A group of employers may form a training consortium for the purposes of receiving IWT. Common examples of training consortia include, but are not limited to: business associations, industry councils, chambers of commerce, or downtown/community development corporations. The training consortium or a third party may apply for IWT on behalf of the group of employers but cannot serve as the training provider and is not eligible to receive any funding as payment for their services.

Please note that IWT funding may not be used for members of a training consortium who would otherwise be ineligible for IWT, including training entities and city, county and state governments.

INCUMBENT WORKER DEFINED

To qualify as an incumbent worker, the incumbent worker needs to be:

- Employed;
- Meet the Fair Labor Standards Act requirements for an employer-employee relationship; and
- Have an established employment history with the employer for six months or more, unless the training is being provided to a group/cohort of employees and the majority of employees have been employed with the business for six months or more.

It is the responsibility of the LWDA to develop a process for ensuring that employees participating in training have been employed with the business for six months or more.

Temporary employees that do not have an employer-employee relationship with the business are not considered incumbent workers (for example, where an employee is employed through a staffing firm). However, periods of temporary employment may count towards an employee's time with the company for the purposes of meeting the six month minimum requirement above.

An incumbent worker does not have to meet WIOA eligibility requirements unless they are enrolled as a participant in the WIOA Adult or Dislocated Worker program.

TRAINING SERVICES

- Can be provided through South Carolina's technical colleges, school districts, area vocational-technical centers, state colleges and universities, licensed and certified private entities/institutions, industry specific consulting/training organizations, professional associations/credentialing entities, the business itself (through in-house training providers) or Registered Apprenticeship programs;
 - When training is provided in-house by an employee of the business, the business must submit documentation of that employee's time spent providing training and corresponding wages paid as a result;
- Can be conducted at the business's own facility, at the training provider's facility, online or remotely, or at a combination of sites; and
- Can be taught by either full- or part-time educators or professional trainers from the business.
- The following types of training are not eligible for IWT funding: all forms of periodic safety and refresher courses, including, but not limited to, all forms of Occupational Safety and Health Administration (OSHA) trainings, First Aid and CPR certifications, and 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.

REIMBURSABLE TRAINING EXPENSES

- Tuition
- Instructor/Trainer salaries
- Textbooks/Manuals
- Consumable materials and supplies

NON-REIMBURSABLE COSTS

- Administrative costs incurred by the business/training consortium
- Trainee wages or travel
- Trainer travel
- Training equipment
- Capital improvements
- Curriculum development
- Purchase of any item or service that may be used outside of the training project (including computer equipment and non-training related software)
- Costs incurred prior to the approval date of the application

APPLICATION, EVALUATION AND AWARD:

IWT funding is awarded on a competitive basis. LWDA's must have an established policy that is consistently applied when evaluating applications and awarding IWT funding. At a minimum, LWDA's must consider the following criteria during their evaluation:

- The characteristics of the employees to be trained;
- The relationship of the training to the competitiveness of both the employer and employee; and
- Other factors the LWDA determines to be appropriate, including:
 - the number of employees participating in the training;
 - wage and benefit levels of those employees (both pre- and post-training earnings);
 - the existence of other training and advancement opportunities provided by the employer;
 - credentials and skills gained as a result of the training;
 - utilization as part of a larger sector and/or career pathway strategy; or
 - employer size.

BUSINESS/ TRAINING CONSORTIUM MATCH

Businesses/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 costs for a business location with no more than 50 employees
- 25 percent of the costs for a business location with more than 50 employees, but no more than 100 employees
- 50 percent of the costs for a business location with more than 100 employees

A training consortium shares in the cost of training incumbent workers based on the total number of employees from all businesses in the training consortium. The training consortium would then determine how the cost would be split between the businesses in the consortium. This may be done in multiple ways, but it is recommended that the division of costs be determined based on how many employees are in each business.

Example: a group of employers has formed a training consortium comprised of three businesses with a combined total of 100 employees. The total cost of training is \$100,000. Based on the combined number of employees, the training consortium is required to pay 25 percent of the cost of training or \$25,000. Each business in the training consortium will pay a proportionate share based on each business's number of employees:

Business #1 - 10 employees = \$2,500

Business #2 - 40 employees = \$10,000

Business #3 - 50 employees = \$12,500

Total Training Consortium Share = \$25,000

The IWT agreement with the business should then be written for \$75,000. See also Attachment A for sample agreement packet.

A business's/training consortium's share of the cost may be paid in cash or in kind, fairly evaluated. Wages paid to incumbent workers while attending training may be considered that business's share of the cost. Please see Attachment B for a sample agreement packet that includes employee wages paid during training.

When wages are used as a business's/training consortium's share of the cost, documentation of actual wages paid during training must be provided. At the conclusion of the training, should the amount of actual wages paid during training fall short of the required non-Federal share, then the business must pay the difference in cash.

BUSINESS REPORTING REQUIREMENTS

All businesses/training consortia approved for funding must sign an agreement with their Local Workforce Development Area (LWDA) before implementing the proposed IWT project. The IWT agreement includes the IWT summary sheet, signed agreement with the business/training consortium, program work statement, training budget, training plan, and IWT application as completed by the business/training consortium.

Training projects are performance based with specific measurable outcomes. TEGL 10-16, Change 1 requires States and LWDAs to report certain participant and performance data on all individuals who receive IWT. As a result, all IWT participants must be registered and tracked in the SC Works Online Services system (SCWOS). The required elements for IWT-only participants are limited to demographic information and the elements needed to calculate employment in the 2nd and 4th quarters after exit, median earnings in the 2nd quarter after exit, Measurable Skill Gains, and credential attainment. For the purposes of calculating these metrics, the exit date for an individual who only has received IWT will be the last date of training, as indicated in the training contract.

For employer services performance and reporting purposes, the business/businesses in a training consortium must also be registered in SCWOS. Each business should have an employer service code indicating participation in IWT or rapid response funded Layoff Aversion IWT. This information is used to track the employer penetration rate and repeat business customers as required by the Department of Labor.

Section 116(i)(2) of WIOA requires States to use quarterly wage records to measure progress on satisfying State and local performance accountability indicators. The Department of Labor encourages the collection of incumbent worker SSNs as part of the training contract with the employer so that wage records will be available for these individuals. If no SSN is available, the State or LWDA may utilize supplemental wage information to verify the wages reported.

To eliminate the need for the business/training consortium to provide the employee's full SSN to the LWDA, employees should register in SCWOS using their full SSN once identified as an IWT participant but no later than the first day of training. Subsequent documentation provided by the business to the LWDA should only need to include the last four digits of the employee's SSN to identify the employee in SCWOS.

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 has been provided that includes sufficient documentation to identify the correct employee in SCWOS for completion of the WIOA application and entering relevant activities.

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

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

The business/training consortium is required to submit program reports as required by the LWDA, including the Trainee Progress Report and a final program report within 30 days of the training Actual End Date. The information listed above will be required for submission of these reports and SCWOS data entry, and may be needed for any additional reporting required by the LWDA.

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.

LWDA REPORTING

The LWDA must submit a completed IWT Agreement Packet within 30 days of executing the IWT agreement with the participating business/training consortium. The IWT Agreement Packet includes the following documents:

- IWT Summary Sheet
- signed agreement with business/training consortium
- program work statement
- training budget
- training plan, including provider, projected number of trainees, and start and end dates for each planned training
- IWT Application completed by the participating business or training consortium

The LWDA must submit the Trainee Progress Report no more than 30 days after the end of each quarter. Additionally, the LWDA should submit a Final Program Report using the template provided no more than 30 days after the end of the grant.

All IWT documents submitted to DEW should include the IWT Cover Sheet.

FAILURE TO TIMELY COMPLY WITH REQUIREMENTS:

Failure to timely comply with all requirements as listed in this document or in the state instruction will result in the following progressive sanctions:

- First warning: a notice of noncompliance will be sent to the LWDA’s administrator requiring corrective action within ten (10) business days
- Second warning: a notice of noncompliance will be sent to the LWDA’s fiscal entity, administrator, and Local Workforce Development Board chair requiring corrective action within seven (7) business days
- Third warning: a notice of recapture of funding will be sent to the LWDA’s fiscal entity, administrator, and Local Workforce Development Board chair requiring corrective action within five (5) business days

Should the LWDA fail to complete the corrective action required following the third warning, some or all of the unobligated IWT funding may be recaptured.

In addition to the progressive sanctions outlined above, failure to adhere to the requirements of this document may delay or prevent the processing and payment of the LWDA’s IWT Request for Payment and will be taken into consideration when determining next year’s funding.

RAPID RESPONSE FUNDED LAYOFF AVERSION IWT

State rapid response funds may only be used for IWT to assist an individual business in averting a layoff or closure. All guidelines outlined above for statewide IWT apply to rapid response funded Layoff Aversion IWT (RRIWT) with the following exceptions.

No business/training consortium match is required for Rapid Response funded Layoff Aversion IWT (RRIWT).

Applications for Rapid Response funded IWT are submitted to the LWDA for review. Complete applications, results of the competitiveness review conducted by SCMEP, or similar review of business completed within the last twelve months, and training curriculum are forwarded to DEW for final review and approval.

The use of Rapid Response funds for IWT requires criteria to determine a layoff risk, and when and whether IWT is an appropriate response. Consideration must be given as to whether, absent the training, a good job will be lost or degraded, and whether with the training the job will be retained or improved. The following employer and worker group assessment criteria must be used in making such determinations.

Employer Assessment

- The company remains open, but it is phasing out a function which will lead to layoffs unless the workers can be retrained to perform new functions.
- A worker’s job has changing skill requirements as a result of external economic or market forces, significant changes in technology or operating processes, rapidly changing industry or occupational job requirements, or emergence of new products.
- The changing skill requirements are outside of normal skill growth and upkeep that would be provided by the employer.
- Training programs reasonably prepare workers to address skill gaps.
- The employer demonstrates a commitment to retain employees or otherwise provide a tangible benefit to employees who receive IWT.

Worker Group Assessment

- Unless provided with training, the potentially laid-off workers do not have marketable, in- demand skills.
- The new skills can be attained in a reasonable period of time.
- The workers have not received formal layoff notices. Such workers can be served with regular WIOA dislocated worker funds.
- There exists a strong possibility of jobs, either with the existing employer or a new employer, if the potentially laid-off workers attain new skills.

STATE INSTRUCTION LETTER – 17-03

Instruction Letter 17-03 – Incumbent Worker Training – provides guidance on the use of WIOA funds for IWT services. LWDAs should carefully read and become familiar with the state instruction letter. Where there are inconsistencies between the guidelines and the state instruction letter, the state instruction letter should be followed.

Incumbent Worker Training Application

SECTION 1. Business Information			
Business Name:			
Authorized Business Representative:		Title:	
Phone:	Ext.:	Fax:	
Email:		Website Address:	
Street/Mailing:			
City:		ZIP:	County:
For which business location are you seeking funding?			
Date of Inception:		Years in Business:	
Total Number of Full-time Employees:		Total Number of Part-time Employees:	
Total Number of Full-time Employees at this Business Location:		Total Number of Part-time Employees at this Business Location:	
Legal Structure of Business:	<input type="checkbox"/> Sole Proprietor	<input type="checkbox"/> Partnership	<input type="checkbox"/> Corporation (Designation:)
Employer's Federal ID #:		Unemployment Comp ID #:	
South Carolina Sales Tax Reg. #:		NAICS Code:	
Is your business current on all State of South Carolina tax obligations?		<input type="checkbox"/> YES	<input type="checkbox"/> NO
Has your business received IWT funding before?		<input type="checkbox"/> YES	<input type="checkbox"/> NO
If yes, please indicate the training period:			
Is your business receiving/applying for other public training/consulting funds?		<input type="checkbox"/> YES	<input type="checkbox"/> NO
If yes, please identify the funding source and type of training/consulting services:			
Has there been a layoff at this site within the last 12 months?		<input type="checkbox"/> YES	<input type="checkbox"/> NO
If yes:	<input type="checkbox"/> Temporary Layoff Number affected:	<input type="checkbox"/> Permanent Layoff Number affected:	
Has the business or part of the business relocated operations within the last 12 months?		<input type="checkbox"/> YES	<input type="checkbox"/> NO
If yes:	Relocated from:	Relocated to:	Date of Relocation:
Does your business use SC Works services?		<input type="checkbox"/> YES	<input type="checkbox"/> NO
If yes, please check all applicable services:	<input type="checkbox"/> List Job Openings <input type="checkbox"/> Job Fairs <input type="checkbox"/> Testing & Assessment	<input type="checkbox"/> Mass Hires <input type="checkbox"/> Candidate Search <input type="checkbox"/> Other:	<input type="checkbox"/> On-the-Job Training (OJT) Please note: employees cannot participate in both WIOA funded OJT and IWT simultaneously.

Please describe your business, product(s) and/or service(s):

Our business is minority owned. (Please check one of the boxes below)

<input type="checkbox"/> Women owned	<input type="checkbox"/> Asian/American owned
<input type="checkbox"/> African/American owned	<input type="checkbox"/> Native/American owned
<input type="checkbox"/> Hispanic/American owned	<input type="checkbox"/> Other minority owned (specify):

Amount of Funding Requested:	Number of Trainees:
Start Date:	End Date:

Type(s) of training proposed (ex: Maintenance, Quality, Computer, etc.):

How did you learn about Incumbent Worker Training?

SECTION 2. Eligibility Criteria

Please check all boxes that apply. Attach additional sheets if necessary.

Incumbent worker training is necessary due to:

- | | |
|--|---|
| <input type="checkbox"/> Business expansion | <input type="checkbox"/> Changing industry requirements |
| <input type="checkbox"/> Retooling of our business process | <input type="checkbox"/> The introduction of new services/product lines |
| <input type="checkbox"/> New organizational structuring | <input type="checkbox"/> Avert a layoff |
| <input type="checkbox"/> New technology | <input type="checkbox"/> Competitive business expansion |

Please provide an explanation of the selections above:

The proposed training would:

- | | |
|---|--|
| <input type="checkbox"/> Significantly increase employee skills | <input type="checkbox"/> Save jobs within our business (How many?) |
| <input type="checkbox"/> Result in employee wage increases | <input type="checkbox"/> Help prevent business relocation |

Please provide an explanation supporting how the proposed training would accomplish the selections above:

SECTION 3. Training Provider Information:

If known, please answer the following.

Name of Training Provider Representative:**Address:****City:****State:****ZIP:****Phone:****Fax:**

SECTION 4. Training Project Information

Up to 6 training programs may be requested on each application. If you would like to request more, please complete additional applications as necessary. Please list in order of priority for your business

TRAINING #1

Name of Training:

Training Description:

Training Institution/School:

Address:

City:

State:

Zip:

Phone:

Name of Trainer (if in-house):

Anticipated training dates:

Projected Number of Hours
of Training:

Number of Trainees:

Job Title(s) and Length(s) of Employment:

Certification Earned:

BUDGET

Instructor Wages/Tuition:

*Materials/Supplies/Textbooks:

*Other Costs:

TOTAL COST:

*Please itemize costs related to materials, supplies, textbooks, and other costs here:

TRAINING #2

Name of Training:

Training Description:

Training Institution/School:

Address:

City:

State:

Zip:

Phone:

Name of Trainer (if in-house):

Anticipated training dates:

Projected Number of Hours
of Training:

Number of Trainees:

Job Title(s) and Length(s) of Employment:

Certification Earned:

BUDGET

Instructor Wages/Tuition:

*Materials/Supplies/Textbooks:

*Other Costs:

TOTAL COST:

*Please itemize costs related to materials, supplies, textbooks, and other costs here:

TRAINING #3		
Name of Training:		
Training Description:		
Training Institution/School:		
Address:		
City:	State:	Zip:
Phone:		
Name of Trainer (if in-house):		
Anticipated training dates:		
Projected Number of Hours of Training:	Number of Trainees:	
Job Title(s) and Length(s) of Employment:		
Certification Earned:		
BUDGET	Instructor Wages/Tuition:	*Materials/Supplies/Textbooks:
	*Other Costs:	TOTAL COST:
*Please itemize costs related to materials, supplies, textbooks, and other costs here:		

TRAINING #4		
Name of Training:		
Training Description:		
Training Institution/School:		
Address:		
City:	State:	Zip:
Phone:		
Name of Trainer (if in-house):		
Anticipated training dates:		
Projected Number of Hours of Training:	Number of Trainees:	
Job Title(s) and Length(s) of Employment:		
Certification Earned:		
BUDGET	Instructor Wages/Tuition:	*Materials/Supplies/Textbooks:
	*Other Costs:	TOTAL COST:
*Please itemize costs related to materials, supplies, textbooks, and other costs here:		

TRAINING #5		
Name of Training:		
Training Description:		
Training Institution/School:		
Address:		
City:	State:	Zip:
Phone:		
Name of Trainer (if in-house):		
Anticipated training dates:		
Projected Number of Hours of Training:	Number of Trainees:	
Job Title(s) and Length(s) of Employment:		
Certification Earned:		
BUDGET	Instructor Wages/Tuition:	*Materials/Supplies/Textbooks:
	*Other Costs:	TOTAL COST:
*Please itemize costs related to materials, supplies, textbooks, and other costs here:		

TRAINING #6		
Name of Training:		
Training Description:		
Training Institution/School:		
Address:		
City:	State:	Zip:
Phone:		
Name of Trainer (if in-house):		
Anticipated training dates:		
Projected Number of Hours of Training:	Number of Trainees:	
Job Title(s) and Length(s) of Employment:		
Certification Earned:		
BUDGET	Instructor Wages/Tuition:	*Materials/Supplies/Textbooks:
	*Other Costs:	TOTAL COST:
*Please itemize costs related to materials, supplies, textbooks, and other costs here:		

SECTION 5. Training Program Budget

Please note: businesses/consortia must contribute to the cost of the training project, with minimum contributions of:
(1) 10 percent of the cost for business locations or consortia with no more than 50 employees
(2) 25 percent of the cost for business locations or consortia with more than 50 employees, but no more than 100 employees
(3) 50 percent of the costs for a business location or consortia with more than 100 employees

BUDGET CATEGORY	TRAINING ASSISTANCE REQUESTED	BUSINESS MATCHING CONTRIBUTION	TOTAL
INSTRUCTOR WAGES/TUITION			
MATERIALS/SUPPLIES/ TEXTBOOKS			
WAGES PAID WHILE ATTENDING TRAINING*	XXXXXXXXXXXXXXXXXXXX		
OTHER EMPLOYER CONTRIBUTIONS TO THE COST OF TRAINING	XXXXXXXXXXXXXXXXXXXX		
OTHER COSTS (describe)			
TRAVEL	XXXXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXXXX
TOTAL			

***Note: Wages paid to employees while attending training may be used as the business's/consortium's contribution to the cost of training**

SECTION 6. Certification by Authorized Business Representative

I hereby certify that I am an authorized representative of the business named above, with the authority to commit the business to legally binding contracts and agreements. I further certify that the information given as part of and attached to this application is true and accurate. I am aware that any false information or intended omissions may subject me to civil or criminal penalties for filing of false public records and/or forfeiture of any funds approved through this program.

This application does not constitute a contractual agreement. If any portion of the application is approved, a formal agreement between parties will be executed to obligate funds for the approved training. Training may not start prior to the effective date of the agreement.

Signature:	Title:
Print Name:	Date:

**PY'18 SC Works WorkLink
Incumbent Worker Training (IWT) Business Self Attestation**

Company Name: _____ County: _____

I, _____, signatory authority with _____ attest the MAJORITY of trainees identified to be trained, if awarded incumbent worker training funds, have been employed with _____ for a minimum of 6 months. I understand that temporary employees that do not have an employer-employee relationship with the business are not considered incumbent workers.

I also understand that I may be required to produce employee records documenting length of employment should it be requested during monitoring. Should it be determined that the MAJORITY of employees trained were NOT employed more than 6 months, I may be required to pay back funds related to this grant.

<i>Signature:</i>	<i>Title:</i>
<i>Print Name:</i>	<i>Date:</i>

**PY '18 SC Works WorkLink
IWT Business Self Attestation Proof of Registered Apprenticeship**

If you have requested training funds associated with an apprenticeship that is registered with the Department of Labor, please complete the below.

Registered Apprenticeship number: _____

Registered Apprentice Occupation: _____

Beginning wage: _____

Ending wage: _____

<i>Signature:</i>	<i>Title:</i>
<i>Print Name:</i>	<i>Date:</i>