

**Workforce Investment Act Policy No. 2013-PL-02**

To: All Delegate Agencies, One-Stops and Sector Centers

From:

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Subject: Customized Training Policy

Date: April 1, 2013

Purpose:

The purpose of this communication is to define the policy governing use of customized training contracts in Cook County, as authorized pursuant to the Workforce Investment Act (WIA) and related State policy.

References:

Workforce Investment Act Section 134 (d) (4)

Department of Commerce and Economic Opportunity Policy Letter 04-02

Background:

The WIA permits local Workforce Investment Boards (WIBs) to authorize funding for a wide array of initiatives designed to connect prospective employees to available employment opportunities. Customized training is a tool used to both train program participants and encourage local business utilization of the public workforce system.

Customized training initiatives contribute to the following policy objectives by:

1. Ensuring that WIA services are aligned to a broad range of employer needs;
2. Ensuring that WIA services are coordinated with State and local economic development efforts; and
3. Providing a mechanism for connecting employers and prospective employees.

Policy:

The Chicago Cook Workforce Partnership will fund customized training efforts throughout the region for the benefit of both employers and current and/or prospective employees under certain circumstances. Customized training is provided in lieu of individual training accounts.

General Rule:

An employer (or group of employers) participating in a customized training initiative must commit to hire WIA registrants who successfully complete the prescribed training.

Target Industries:

Generally, the WIB will target small and medium size employers offering full-time employment opportunities in the following industry sectors for development of customized training initiatives:

- Business and Professional Services
- Healthcare
- Hospitality
- Information Technology
- Manufacturing
- Retail
- Transportation, Distribution and Logistics

Customized training may be provided regardless of the employer's industry if the training is intended to address a specific programmatic priority established by the Workforce Investment Board or if the training is provided in concert with other State or local economic development agencies as part of an incentive package to encourage an employer to remain, locate, or expand jobs in the local area.

Prohibition:

Pursuant to federal statute, WIA funds, including funds used for customized training, may not be used (or proposed to be used) for the encouragement or inducement of a business, or part of a business, to relocate from any location in the United States, if the relocation will result in any employee losing his or her job at the original location. This prohibition is no longer applicable after the company has operated at the new location for 120 days.

WIA Registration:

All participants receiving training services funded through a customized training contract must be registered in WIA and meet WIA eligibility guidelines. Performance outcomes associated with those individuals count in the computation of federal performance standards.

Eligible Trainees:

The following individuals are eligible to participate in customized training:

1. WIA eligible unemployed adults and dislocated workers;
2. Adults and dislocated workers who are already working for the employer (or group of employers) for which the customized training is being provided, when those employees are earning less than a self-sufficient wage and the employer commits to continue to employ such trainees who successfully complete the training; and,
3. Adults and dislocated workers employed by another (non-training) firm, if the workers earn less than a self-sufficient wage.

NOTE: *This program may be expanded to include older youth depending upon future federal or state level policy direction and/or waivers.*

Incumbent Workers:

If a customized training initiative includes serving WIA registrants who are presently employed by the employer for which the customized training is being provided (i.e. incumbent workers), the employer (or group of employers) must commit to continue to employ such trainees who successfully complete the training for a period of no less than six months, barring extenuating circumstances.

Customized training for incumbent workers must pertain to:

1. The introduction by the employer of new technologies;
2. The introduction to new production or service procedures;
3. Upgrading to new jobs that require additional skills / workplace literacy; or,
4. Other appropriate purposes identified by the local workforce board (20 CFR 663.720(c))

Training:

Agencies or businesses may propose a wide range of training topics and program models. In the case of unemployed workers, the training must be designed to lead to immediate job placement with the employer (or group of employers) for which the customized training is designed for all registrants who successfully complete the training. The training is therefore expected to be targeted to a specific job.

For registrants who are already working for the employer(s) for which customized training is being provided, training that is closely linked to specific jobs, as well as, job advancement and increased earnings are expected. Proposed training that is only loosely related, or is unrelated, to specific jobs, while not completely prohibited, is strongly discouraged. Examples of training that is not directly job-linked include: stand-alone adult basic education (ABE), stand-alone English as a second language (ESL), team building training, motivational training, and basic computer literacy skills. The WIB and The Partnership will closely examine proposals for such training and the rationale supporting the need for the training to determine the likelihood that the training will lead to increased earnings for successful completers. In the absence of a compelling rationale, such proposals are unlikely to be approved for funding. Please note that ABE and ESL training that is fully integrated with specific job-linked skill training are allowable.

Matching Funds:

Employer(s) must pay not less than 50 percent of the cost of the training (WIA Section 101(8) & 20 CFR 663.715). Employer costs may be in cash or in-kind, must be documented, and are subject to audit. 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. The Partnership reserves the right to adjust the matching requirement to comply with future federal or state policy and/or waivers.

Costs:

Subject to the approval of The Partnership, all reasonable and necessary costs related to the conduct of the training are allowable. However, the costs of workers' wages and fringe benefits paid while in training are allowable only as employers match contributions. Following are typical costs eligible for reimbursement from the WIA grant:

- 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
- Support service costs
- Other costs with approval of The Partnership

Approval:

When evaluating project proposals, The Partnership will consider the following criteria:

1. **Quality of the Training:** The training proposal must be detailed and tailored to a specific job. The curriculum must be well-developed and the instructor must be deemed qualified to conduct the training. The training must be clearly linked to anticipated increases in productivity.
2. **Benefits to Workers:** The training must result in benefits to the workers such as: placement into employment, enhanced employability, job upgrades, increased wages, and/or increased job security. Workers completing training should receive written certification or acknowledgement of their successful completion. The issuance of industry-recognized credentials or certifications is highly preferred.
3. **Appropriateness of Costs:** The proposed costs must be reasonable in relation to the type of training, the number of workers to be trained and the cost per participant. All proposed costs must meet local, State and Federal cost related requirements and limitations.
4. **Matching Costs:** The minimum employer cost participation requirement of 50 percent must be met. Proposals reflecting higher levels of employer cost participation will be given a more favorable review on this criterion.
5. **Secondary Benefits:** Projects that result in "secondary benefits" will be given added consideration. Secondary benefits may include: commitments by participating employers to list future job openings with The Partnerships' WIA system and/or otherwise commit to participate in other WIA programs.