



# West Tennessee Workforce Development Board

[www.westtennesseecareers.org](http://www.westtennesseecareers.org)

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Craig S. Butler  
*Board Chair*

Jimmy Bell  
*Director*

## Local Workforce Development Area 11 Policy Memorandum # 17-7

### Subject:

Incumbent Worker Training (IWT) Grant Information

### Purpose:

The purpose of this memorandum is to establish policy and definitions for Incumbent Worker Training in Local Workforce Development Area 11.

**References:** WIOA Section 134(d)(4)(A), Section 134(d)(4)(A)(i), Section 134(d)(4)(C), Section 134(d)(4)(D); 20 CFR 680.780, 680.790, 680.800, 680.810, 680.820, and State of Tennessee Incumbent Worker Training (IWT) Grants Policy.

### Background:

WIOA allows the Local Workforce Development Board to provide incumbent worker training and to establish policies, definitions and procedures to determine the businesses and workers who are eligible for services.



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**Policy:**

LWDB-11 may provide incumbent worker training using statewide discretionary funds provided by the Governor. Local Workforce Development Boards are also allowed to set aside and use up to 20% of local Adult and/or Dislocated Worker funds on incumbent worker training programs. (See WIOA Section 134(d)(4).) Training in the area will be designed to increase participants' skills, thus enabling them to be more competitive and allow them to climb a career ladder.

The program will be designed for allowance of participants to obtain new skills necessary to retain employment and provide them with the opportunity for advancement and wage gains within the company. The training should be in alignment with sector strategy approaches for in-demand occupations, promote a more competitive workforce, and avert potential layoffs. An incumbent worker does not have to meet eligibility requirements for career and training services through WIOA Title I Adult and Dislocated Worker Programs unless they are enrolled in the Adult or Dislocated Worker Program.

**Eligibility Requirements for Employers to Qualify for an IWT Grant**

A business or employer must meet all the following criteria in order to qualify for an Incumbent Worker Training Grant:

- Grantee must be classified as a Tennessee for-profit business (or a not-for-profit business in health care)
- Must be in operation for at least one year
- Must employ at least five full-time employees
- Must be current on all local, state, and federal tax obligations
- Must be a financially viable business not currently or recently experiencing, nor expecting to experience, a bankruptcy
- Must not appear on any federal suspensions or debarment list

**Incumbent Worker (Participant) Eligibility**

In order to qualify as an Incumbent Worker Participant, the following is required:

- Must be a U.S. citizen or individual legally entitled to work in the U.S.
- Must be 18 years of age or older
- All males age 18 or older and born on or after January 1, 1960 must be registered for the Selective Service unless an exception is justified
- Must be employed
- Must meet the Fair Standards Act requirements for an employer-employee relationship (information regarding this requirement can be found at <http://www.dol.gov/whd>)
- Have an established employment history with the employer receiving the grant for six (6) months or more

## **Factors Considered When Determining Employer Eligibility**

In order to make a determination of eligibility of employers to receive WIOA funds to provide incumbent worker training using either local Adult and/or Dislocated Worker funds, the following factors are to be considered:

- 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).
- 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.
- The number of participants the employer plans to train or retrain
- The wage and benefit levels of participants both before and after training
- 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:

- Be in an in-demand industry as determined by Jobs4TN labor market information; OR
- Be in an in-balance industry as determined by Jobs4TN labor market information
- Be in a declining industry, but with compelling reasons (e.g., evidence of long-term viability of the employer) justifying investment in incumbent worker training
- Current in unemployment insurance and workers' compensation taxes, penalties, fees and/or interest or related payment plan and be current on all fees/fines/local/state/federal taxes
- 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)(C)-(D) and 20 CFR 680.820).

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

- At least 10% of the cost for employers with 50 or fewer employees
- At least 25% of the cost for employers with 51 to 100 employees
- 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.

## **Qualifying Costs for Reimbursement**

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

## **Reimbursable Training Expenses**

- Instructors'/Trainers' salaries capped at actual amount or \$50/hour if company trainers are used (whichever is less)
- 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 a curriculum.)
- Textbooks and manuals
- Materials and supplies
- Tuition expense (tuition is defined as instruction provided by an institution regulated by the Tennessee Higher Education Commission)

## **Non-Reimbursable Costs**

- Trainee's wages
- Purchases of capital equipment
- Purchase of any item or service that may possibly be used outside of the training project
- Travel expenses of trainers or trainees
- Assessment, testing, or certification fees
- Language training unless specific terms of employment
- Advertisement or recruitment
- Any costs not approved in the final sub-recipient agreement

## **Grant Award Determination**

### **LWDA Regional Determination**

Local Workforce Development Areas must follow the steps below prior to submitting application to TDWLD:

1. 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 fulfillment guide (see attached Appendix A).
2. Business Service Teams and LWDA management should take part in the scoring of applications.
3. Applications that regions wish to approve must be submitted to TDWLD on behalf of the LWDA where the company or business is headquartered or where the training will occur.
4. LWDAs must identify if they wish to use statewide funds or local area formula funding to fund the training.
5. Applications funded by local area formula funding per WIOA Section 134(d)(4), will not be required to be scored on a regional level.

Businesses must submit the application, along with all required documents, online at <https://www.tn.gov/workforce/article/incumbent-worker-training>. The application is found at <https://www.tn.gov/workforce/article/apply-for-iwt> where the responses will then be forwarded to the appropriate LWDA. Local Workforce Development Boards must determine the eligibility of applications for each LWDA that is representative (based on county and grouped by region) of the company or business. Local Workforce Development Boards will then submit applications with a letter of support to the TDWLD where the Workforce Services Division (IWT Review Committee) will review and score the application.

## Grant Award Considerations:

- Will the training be associated with an in-demand occupation?
- Will the training provide a skills upgrade?
- Will the training create new jobs?
- Will the training save jobs or prevent layoffs?
- Will the training improve the long-term wage level of the trainees?
- Will the training improve the short-term wage level of the trainees?
- Will the training provide a certification?
- Will the training provide or enhance process improvement for the business?

## Grant Activities and Grantee/Applicant Requirements

### Training Services

- 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 June 30 of the corresponding fiscal year (currently June 30, 2017). All training should have specific start and end dates.
- 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.
- Training can be conducted at the business's own facility, at the training provider's facility, or at a combination of sites.

### Grant Award Requirements

- Businesses approved for funds must enter into a contract with their LWDA. 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.
- Approved budget items are reimbursed upon presentation of adequate documentation of the training and evidence that the training expense incurred has been paid.
- Businesses must submit monthly reimbursement requests, or in the timely manner agreed upon between the LWDA and company in the contract, with required support documentation, to their LWDA representative.
- The employer share is based on the size of the workforce as follows:
  - ☐ At least 10% of the cost for employers with 50 or fewer employees
  - ☐ At least 25% of the cost for employers with 51 to 100 employees
  - ☐ At least 50% of the cost for employers with more than 100 employees
- 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.
- Businesses approved for funds must complete a monthly status report. The monthly report will only take a few minutes. The monthly status report form **must be filled out online**.

### Project Completion

- All grant projects shall be performance based with specific measurable performance outcomes including:
  - ☐ Completion of training project
  - ☐ Number of employees trained
  - ☐ Beginning and ending wages of trainees
  - ☐ Date of birth of trainees
  - ☐ Customer satisfaction
- 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.

- Businesses shall provide sufficient documentation (including proof of eligibility to work in the U.S.) to the LWDA 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.
- 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 completed.

**Contact:**

Questions regarding this policy should be addressed to Jimmy Bell, LWDB-11 Director, at SWHRA, 1527 White Avenue, P.O. Box 264, Henderson, TN 38340. Phone: (731) 983-3688. Email: [jbell@swhra.org](mailto:jbell@swhra.org).

**Attachments:**

Appendix A - Incumbent Worker Training Program Score Criteria

**Effective Date:** July 1, 2017

**Expiration Date:** Until further notice

Approved:   
Jimmy Bell, LWDA-11 Director

## Appendix A

### Incumbent Worker Training Program Score Criteria

Company name: \_\_\_\_\_ LWDA: \_\_\_\_\_

Required Information		No	Yes
1	Does the application contain original signatures and dates throughout?		
2	Minimum 1 year in business?		
3	For-profit (Non-for-profit health care only)?		
4	Actual start and end dates?		
5	Shows grant request amount?		
6	Complies with \$25,000 cap?		
7	Demonstrates employer match?		
8	Minimum of 5 full time employees?		
9	Budget calculations correct?		
10	Number of trainees?		
11	Current on all Tennessee taxes?		
12	Federal ID number shown?		
13	TN sales tax number shown (if applicable)?		
14	Unemployment insurance ID number shown?		
15	NAICS code shown?		
16	Number of training hours?		
17	Cost of instruction and/or training?		
18	Training provider information?		

**If answered "Yes" to all the above questions award 25 points and continue.**

	Desired Outcome	Value	Score
19	Prevent relocation	5	
20	Skills attainment/process improvement	10	
21	Will create new jobs	5	
22	Will improve short-term wages	5	
23	Will improve long-term wages	5	
24	Will result in certification	5	
25	Training in a demand occupation	5	
26	Will save jobs	5	
27	Skills upgrade	5	
	<b>Total</b>	50	

<b>Training Plan</b>	<b>Value</b>	<b>Score</b>
Provide a detailed training plan that includes: actual State and completion dates, type of training, training provider, number of full-time employees to be trained, total number of employees, number of training hours, cost of instruction and training, etc.	25	

<b>Special Points</b>	<b>Value</b>	<b>Score</b>
Utilize Local Career Center services	5	
Utilize LWDA to provide technical assistance	5	
Two or more training-provider cost estimates (if applicable)	5	
<b>Total</b>	15	

<b>Evaluation Score</b>	<b>Value</b>	<b>Score</b>
Required Information	25	
Desired Outcomes	Max 50	
Training Plan	25	
Special Points	Max 15	
<b>Total Possible Score</b>	115	

**Proposal must score at least 80 to send to the State for approval.**

**Reviewer Signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_