

ATTACHMENT H

**CUSTOMIZED TRAINING POLICY
FIELD GUIDANCE MEMORANDUM 407**

DRAFT

References:

Workforce Innovation and Opportunity Act of 2014 (Public Law 113-128)
WIOA Final Rules published in the Federal Register, Vol. 81, No. 161, dated August 19, 2016,
Sections 680.710(c), 680.760, 680.770

Purpose:

This policy provides guidance regarding Customized Training for eligible Adult and Dislocated Workers. Under certain targeted conditions, customized training services can be critical to the stabilizing the new employment success of many Adults and Dislocated Workers while also serving the unique needs of an employer. The WIOA Adult and Dislocated Worker formula programs are the key programs of the Greater Peninsula Workforce Development Board's (GPWDB) federally funded local service delivery system. Customized training opportunities provide structured training for participants to gain the knowledge and skills to be effective in the job for which they are being hired, advanced or retained in those employment/industry sectors determined by the local Board as being of particular high-value and/or relevant to the local economy consistent with the Board's Strategic Plan.

Customized training is group (or cohort) procured training, in lieu of the more traditionally procured Individual Training Accounts (ITAs) used on behalf of eligible job-seekers, and is designed to meet the specific hiring/up-skilling needs of an employer (or group of employers). Customized training may be considered for new employees (if part of a negotiated employee recruitment project with the Board) when existing, locally approved ITA training programs and/or curricula do not meet the specific hiring needs of eligible employer(s) or when other cohort training is needed by an employer(s) to address a specialized need for upskilling a group of existing, fairly new employees due to the introduction of new technologies, processes, or procedures or in certain rare situations to promote retention of cohort employees having **other** skill-set needs or deficiencies.

Given the clarification offered above, eligible Adults and Dislocated Workers can possibly qualify for employer coordinated, customized training if the following requirements are met:

- Used to meet the special training or hiring requirements of an employer or group of employers;
- Conducted with a commitment by the employer(s) to employ/retain all individuals upon successful completion of the training; and
- Paid for, in part, by employers, who must pay a "significant cost" of the training.
- The training relates to the introduction of new technologies, introduction to new production or service procedures, upgrading to new jobs that require additional skills, workplace literacy, or other appropriate purposes identified by the local Board.

Either IWT or Customized Training strategies can be used under certain limitations to assist targeted businesses/industry sectors to scale up their businesses with competitive workers.

Key Distinctions versus Incumbent Workers:

While some confusion exists between Customized Training and Incumbent Worker Training since both activities may serve “employed” workers under either the Adult or Dislocated Worker Program Groups (more on this in the next paragraph), there are a number of clear distinctions.

The first major distinction is that Customized training is generally for new hires or for training fairly new, recent hire workers (i.e. new workers still on their new position probationary period or within 12 months of new position’s start date).

CT is a permissible type of training that is generally classroom based and is often provided by a third-party for the employer. OJT is not generally appropriate or an option under CT projects.

And unlike IWT, there is no special provision for Customized Training projects to occur outside of all customary WIOA participant eligibility and performance measure requirements. Consequently, all normal eligibility and performance requirements apply. Likewise, there is no expenditure cap or ceiling on the percentage of funding that can be directed to CT funded support like there is with the 20% IWT limitation.

While both Adult and Dislocated Worker customer groups may access services under the Customized Training activity, there are some important distinctions that need to be understood. Most of the nuances between the two groups is predicated on what source of funding is being used to support the provision any specific Customized Training activity. If a project is funded with Adult Formula Funds, then any participants would have to meet the eligibility requirements for the Adult program. This means that if the intent of the project is to up-skill fairly new employed workers of a business, then the targeted employees’ income would have to fall below the Board’s definition of Self-Sufficiency. Similarly, if the intent is to provide Customized Training to prospective job applicants as part of a tailored recruitment/training project, then any “currently employed” applicants would still have to fall below the Self-Sufficiency income test. The only exception to the Self-Sufficiency requirement is in limited situations, CT can be used for customers making more than self-sufficient wages as long as it leads to wages comparable to or higher than their previous wages/employment or if used as part of a retention strategy (page 56153 Final Rules).

Conversely, if the intent is to use Dislocated Worker funding to serve prospective individuals then any such participants would have to be determined eligible and meet all of the regular eligibility requirements under the Dislocated Worker program.

Local Board – Additional Policy Emphasis:

Notwithstanding any other applicable federal and/or state policy requirements pertaining to IWT, the local Board has established the following criteria to prioritize which projects will be considered for local funding support.

- Priority will be given to those Industry Clusters and Occupational Clusters the local WDB has determined are of greatest value to the community and in highest demand within the local labor market based on the Board's current Strategic Plan and LMI analysis.
- Priority will be given to projects providing a minimum match of 50% or higher regardless of the federal scalable rate.
- Priority will be given to projects offering higher competitive wages and benefits and post-training increases.
- Priority will be given to projects offering the greatest cost-benefit in the shortest amount of time.
- Priority will be given to a number of other local factors including: number of employees to be trained and the existence/limitation of other training opportunities provided by the employer.

Employer Eligibility:

In order for the participating employer(s) to be eligible to receive customized training funding support, the employer's industry sector must be:

- In demand as defined by WIOA Section 3(23) and determined by recent labor market information; *IN-DEMAND INDUSTRY SECTOR OR OCCUPATION.- (A) IN GENERAL.—The term “in-demand industry sector or occupation” means (i) an industry sector that has a substantial current or potential impact (including through jobs that lead to economic self-sufficiency and opportunities for advancement) on the State, regional, or local economy, as appropriate, and that contributes to the growth or stability of other supporting businesses, or the growth of other industry sectors; or (ii) an occupation that currently has or is projected to have a number of positions (including positions that lead to economic self-sufficiency and opportunities for advancement) in an industry sector so as to have a significant impact on the State, regional, or local economy, as appropriate.*

Additionally, the employer(s) must:

- Be physically located in the Greater Peninsula region (this includes local field office or satellite divisions);
- Be current on all Virginia tax obligations, including all applicable local taxes; and,
- Have a compelling business reason for why WIOA funded CT is needed to assist the business and its employees.
- Be able to locally contract for customized, short-term, training services (typically less than 6 months);



- All participating employers (and their workers) and their employees must be covered by Workman’s Compensation.
- If recently relocated to the area from any location in the United States and the relocation resulted in any employee losing their job at the original location, the employer is not eligible for CT until the company has operated for at least one hundred and twenty (120) days.

Customized Training Positions:

Positions in which trainees will be retained/placed upon the successful completion of training must be full-time, non-temporary, at an hourly wage of at least \$13.00 per hour and provide full company benefits including healthcare, unless otherwise authorized by the Greater Peninsula Workforce Development Board. Workers trained under this Policy may not displace any other regular worker. For the purpose of this Policy, full-time employment is defined as at least thirty-five (35) hours per week.

Employer Cost-Sharing:

Employers must contribute a significant portion of the cost of the training program. Contributions to the cost of the training are based upon the size of the current workforce of the employer however priority will be given to projects offering a minimum contribution of 50%. Per federal policy, the minimum Employer share must be:

- At least 10% of the total training cost if 50 or fewer employees
- At least 25% of the total training cost if between 51 and 100 employees
- At least 50% of the total training cost if more than 100 employees

These scalable rates apply to the total workforce of employers operating in multiple areas in the State. The employer’s cost-sharing contribution can be met by covering the appropriate share and cost of the training being delivered or by using off-sets of the cost for current employees to attend training (based on wages during the contact hours) or through a combination of both.

Training Delivery:

Customized Training does not require the establishment of an Individual Training Account (ITA). Instead it is based on group or cohort training designed to meet the needs of the participating employer(s) and usually involves a 3rd party training vendor selected by the employer.

In this regard, the provision of any employer requested training may be coordinated directly by the subject employer(s) (i.e. in-house) or coordinated externally through the local One-Stop Business Services delivery system as agreed to and spelled out in the written agreement that is

established with any new project. If procured externally by the One-Stop System, any applicable procurement rules will apply.

All training provided must fall into one or more of the following intended purposes: training that incorporates new technologies, processes, or procedures; offers skills upgrades; provides needed workplace literacy; or serves other appropriate business driven purposes.

Worker / Trainee Eligibility:

Customized training can be provided, under certain conditions, to either Unemployed or Employed individuals meeting all standard WIOA participant eligibility requirements.

WIOA eligible, unemployed individuals being served under a Customized Training project must have been pre-screened by the covered Employer (or group of Employers) as suitable hires for immediate employment pending the successful completion of the GPWDB/Employer sponsored Customized Training project.

WIOA eligible, employed (both outside/previous employment if being hired or current employment if a recent hire under this project) individuals may also be considered for customized training under specific conditions, if they:

- Are not earning a self-sufficient wage as determined by local GPWDB policy*.
- Meet the Fair Labor Standards Act requirements for an employer-employee relationship;

Customized training is not intended to supersede the participant's expectation of or access to the consumer choice provisions under WIOA or possible access to other services available through the local One-Stop.

Business Services Team:

Once the need for WIOA approved Customized Training has been established and a suitable training curriculum has been developed and approved, Peninsula Worklink's Business Coordinator (BC) will be responsible for assisting the employer with developing the customized training agreement between the business and the business's 3rd party training provider. The process used for the development of the agreement will be unique to each of the company(ies) involved as training will be specifically tailored to the hiring, upskilling or retention needs of the subject business(es).

All customized training requires advance approval of the GPWDB or its administrative designee. Therefore, prior to finalizing any WIOA CT contract, the BC will submit the draft proposal to the Council's Federal Division for review and approval. Once Council/Federal Division approval is received, employer signature(s) may be gathered and training may begin on the date authorized.

The start date of training will be the date participants actually begin attending approved classes per the terms of the agreement.

Policy Guidelines:

Customized training is designed to provide the Greater Peninsula Workforce Development Board region with flexibility to ensure that training meets the unique needs of both job seekers/workers and the sponsoring employer or group of employers. There are several factors that must be considered when customized training is used:

- The occupation for which customized training is being provided must be in demand within the GPWDB region.
- All approved projects must result in increased wage potential for covered employees/participants within 11 months of completion. No projects will be approved at a starting wage level under \$12.25 per hour unless the wage level at time of successful program completion is immediately increased to a minimum of \$13.00 per hour or higher.
- The minimum number of participants receiving customized training on behalf of the employer(s) must be for five (5) participants or more in order to justify the unique establishment of such a training program.
- The training should not result in WIOA payments per individual higher than \$5,000 (not including the required match by the employer). A special waiver may be obtained for fewer participants or a higher per individual cost with adequate and compelling justification.
- Groups of individuals who receive training must generally lack the necessary requirements of the employer/industry to obtain employment, retain employment or be eligible for further advancement in the job/industry.
- The training should provide an industry-recognized credential or certificate that demonstrates the quality of work or advanced ability necessary to obtain, retain or advance in employment in the industry. Other certificates or credentials may be agreed upon with GPWDB approval.
- Successful completion of the training should allow for increased wage obtainment or advancement opportunities. In no cases, should the wage and benefit levels of participants be reduced after training has occurred.

Applicable Performance Standards for Adults and Dislocated Workers:

Although Customized Training is viewed as both a business service and participant service, the following WIOA Performance Standards apply:

- Credential Rate within 4 Quarters after Exit
- Post-Program Employment Retention Rate 2nd Quarter and 4th Quarter after Exit

- Median Earnings at 2nd Quarter after Exit

Note: The Entered Employment Rate does not apply to Incumbent Workers given their status of "currently employed" at time of program application.

Applicable Policy Reconciliation:

Any discrepancies arising between GPWDB policy and or procedures with federal and state provisions due to current or future revisions will default to the current minimum federal and state regulations and guidance available. GPWDB policy and or procedures may set forth stricter requirements than provided by federal and state guidance, but in no case will GPWDB policy and or procedures not meet minimum federal and state policy.

WHM____/GLB____/cje

Attachment: Employer Pre-Award Review Form

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GREATER PENINSULA WORKFORCE DEVELOPMENT CONSORTIUM (trading as Peninsula Worklink)
CUSTOMIZED TRAINING POLICY
EMPLOYER APPLICATION/PRE-AWARD REVIEW FORM

Employer: _____

Address: _____

Contact Person: _____ Title: _____

Telephone: _____ Fax: _____ Email: _____

Year Business Established: _____ Total Number of Company Employees: _____

FEIN/IRS Identification Number: _____

Primary Business Type (Industry): _____

APPLICATION

Employee Position(s): _____

Hourly Wage Rate(s): _____

Full-Time/ Non-Temporary: Yes No Benefits w/Medical: Yes No

Training: _____ Credential: _____

Impact if the training is not received and successfully completed:

Employer has operated in the Commonwealth of Virginia during the entire 12 month period prior to the application date: Yes No

Training will be for employees based within Virginia: Yes No

Company has employees who live and/or work on the Greater Peninsula: Yes No

