



Northern Middle Tennessee Workforce Board Inc.

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Duration: Indefinite

Employment-Based Training Grants Policy

Purpose

This policy ensures clarity and uniformity for Employment-Based Training Grants. Guideline and criteria are established within this policy for the following ETGs: Incumbent Worker Training, On the Job Training and Customized Training.

Background

Employment-Based Training Grants (ETGs) tools utilized under the Workforce Innovation and Opportunity Act (WIOA) that are focused on meeting the unique needs of employers. The tools will be utilized, adapted, and combined with other services to provide employers flexibility in retaining or hiring a trained workforce. Though the services are designed with the employer in mind, the intent is to also provide trainees with opportunities to better their skill sets and opportunities within their industry.

Policy & Instructions

The NMWB approves the funding amount of the Title I Adult and/or Dislocated Worker funds to be used for the grant awards. The staff to the NMWB are responsible for determining grant eligibility. Grants are awarded on a first come, first serve basis. Below are the requirements of the main three services to employers under WIOA formula funds. These services are for hiring new employees, retaining employees, or addressing the unique needs of the employers.

1. Employment – Based Training Grant Program Requirements (ETGs)

ETGs are tools utilized under the Workforce Innovation and Opportunity Act (WIOA) that are focused on meeting the unique needs of employers. The below tools will be utilized, adapted, and combined with other services to provide employers flexibility in retaining or hiring a trained workforce. Though the services are designed with the employer in mind, the intent is to also provide trainees with opportunities to better their skill sets and opportunities within their industry. Below are the requirements of the main three services to employers under WIOA formula funds. These services are for hiring new employees, or addressing the unique needs of the employers.

1.1 On The Job Training (OJT)

OJT is a form of work-based training provided to an eligible WIOA participant upon entry into employment and while engaged in paid work. OJTs are customized to address specific gaps in the trainee's knowledge or skills. Effective OJT programs ensure that participants are trained to perform specific job tasks. On an OJT, an employer can be reimbursed up to fifty percent (50%) of the wage rate of the participant. LWDBS are permitted, under limited, specific, and well-documented circumstances, to increase the OJT wage reimbursement to seventy-five percent (75%). OJTs allow employer to train new hires for half the cost.

The allowable costs associated with an OJT are the salary of the trainee to the employer and any other

direct, allowable costs to the WIOA-enrolled individual such as books, supplies, etc. Any other additional payments to the employer outside of salary for training are unallowable.

1.1(A) On the Job Training (OJT)

- Newly hired individual
- A U.S. citizen or individual legally entitled to work in the US
- Age 18 or older
- Registered for Selective Service unless an exception is justified
- OJT hourly wage rate cap \$25 (reimbursement rate of \$12.50)
- Grant will reimburse employer up to 50% of wages

1.2 Incumbent Worker Training (IWT)

IWT is a tool used to help avert potential layoffs, or to increase the skill levels of employees so they can be promoted within the company and create backfill opportunities for the employers. This training is designed to meet the special requirements of an employer with commitment to retain employees or avert layoffs. The training funded under IWT would increase skills of the existing workforce, improve the efficiency of business operations and make the employee and employer more competitive in the current economic environment. Employees receiving the benefit of an IWT do not have to be enrolled as a WIOA Title I participant. LWDBs are allowed to reserve up to 20% of their federal award on IWTs.

Employers can apply for a maximum of \$25,000. If a consortium of businesses within a sector requests funds, there will be a cap of \$75,000. A consortium must consist of at least three (3) employers. Employers are required to provide an in-kind match based upon the size of their workforce.

1.2(A) Employee Eligibility Requirements for IWT

- Must be a full time permanent employee
- Have an established employment history with employer receiving the grant for (6) months or more

1.2(B) Employer Required Match

- 10% match if employer has 50 or less employees
- 25% match if employer has 51-100 employees
- 50% match if employer has more than 100 employees

1.2(C) Reimbursable Training Expenses

- For training provided internally by the employer the actual wages of internal trainers, up to \$50/hr
- Internal training curriculum development (Limited up to 5% of the total allowable cost of IWT and requires supporting documentation.)
- Textbooks and manuals
- Material and supplies
- Tuition expense for instruction provided by an institution regulated by the Tennessee Higher Education Commission.
- The actual cost of contracted training, instructors, programs, equipment rental, and classroom rental.

1.2(D) Non-Reimbursable Costs

- Employee Wages
- Purchase of capital equipment

- Travel and food expenses of trainers or trainees
- Assessment, testing, and certification fees
- Advertising and recruiting
- Language training
- Assisting or resisting union organizations or labor disputes
- Any costs not approved in the final contractual agreement

1.3 Customized Training Programs

Customized training is one of several types of allowable training identified in WIOA section 134(c)(3)(d). This training may be offered to individuals under LWDB-funded programs designed to meet the needs of a specific employer or cohort of employers. The purpose of this training must seek to provide for the introduction of new technologies, new productions or service procedures, upgrading existing skills, or other appropriate purposes as identified by NMTWB. The employer has a responsibility under this form of training to commit to hiring anyone who receives this training and to pay a “significant cost” of the training as identified by the NMTWB. NMTBW will require that the employer pay a minimum of 50% of customized training costs.

As identified in this policy, customized training can take on a variety of forms as long as the core requirements are met. Training typically provided under WIOA such as OJTs, ITAs, or IWTs may be adapted and provided in an alternative form to meet the needs of the employer.

Other processes can be considered as well, such as contract training. Contract training provides NMTWB the flexibility to contract directly with institutions of higher education or training providers. Specifically, the NMTWB may award a contract to a training provider if the Board determines that it would facilitate the training of multiple individuals in high-demand occupations and meet the unique needs of the employer.

The benefit of contract training is the utilization of cohorts which allow more flexibility in serving an employer. Not all employees of a company may be eligible for WIOA formula funds but may still require the same training as employees who do meet the eligibility standards of WIOA formula funds. NMTWB may utilize cohorts to reduce the cost of training by developing customized training plans for trainees that will also allow non-WIOA eligible employees to receive the same training opportunity.

All participants who receive customized training under WIOA formula funds must be enrolled in a WIOA Title I program, must not be earning a self-sufficient wage, and must be trained for the purposes established in 20 CFR 690.710(c).

Allowable and unallowable costs will depend on the type of customized that is provided. For customized training in the form of an OJT and IWT, the applicable sections in this policy will provide the allowability of costs. However, generally with customized training the allowability of costs are costs directly associated with the training. Allowable costs considered for customized training can include but are not limited to, instructor training-related wages, curriculum development, textbooks, materials, and supplies. Unallowable costs include but are not limited to, trainee benefits, purchase of capital equipment, foreign travel, and costs that are not directly related to customized training for eligible individuals under Title 1.

1.3(A) Items to be considered when entering into training agreement with employer

- The occupation for which training will be provided;
- The skills and competencies to be achieved and the length of time for the training (days/weeks);
- The number of employees to be trained;
- The employer's assurance that customized training is needed, based upon the individual skill set of trainees;
- The method and maximum amount of reimbursement (employer match);
- Job description(s) of the trainees and a training outline
- The cost and documented description of any supportive services that may be needed;
- Commitment by the employer to maintain the employment of employees receiving the training;
- Other appropriate training outcomes related to the training (i.e. increases in earnings)

2. Employer Qualifications

For an employer to qualify for an ETG they must meet all of the following:

- Must be classified as a Tennessee for-profit business or non-profit business.
- Must be in operation for at least one year (this does not apply to OJT employers)
- If relocation results in loss of jobs, must not have relocated to the training location in the one-hundred and twenty (120) days preceding the training.
- Must not rely on ETG funding to relocate business operations.
- Must employ at least 5 full time employees
- Must be current on all local, state, and federal tax obligations.
- Must be a viable business
- Must not have received an ETG in the twelve (12) months prior to the start date of the proposed new grant, unless the requirement is waived by TDWLD.
- Must have the consent of any trainee's collective bargaining unit.
- A group of Employers may form a consortium for ETG purposes, but each Employer in the consortium must meet the above requirements.

3. Grant Award Requirements & Grant Award Procedures

3.1 (A) Grant Award Requirements

- Businesses approved for funds must enter into a contract. The contract commits the business to complete the training as proposed in it application, as well as committing to compliance with all applicable Federal, State and Local 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 in the timely manner with required support documentation. Businesses will also have the option to submit one invoice at the conclusion of training.
- 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.

3.1 (B) Additional Grant Award Procedures

- Cost per participant will be considered when evaluating the effectiveness and efficiency of the award.
- Does the total amount of the grant divided by the number of participants represent a cost

equivalent to other training options in the local workforce development area?

- Is the training provided in a demand occupation?
- Has the company/trainer demonstrated successful performance previously?

3.1 (C) Monitoring

- Participant data will be reviewed for completeness and eligibility prior to payment of any invoice
- Supporting documentation must be provided with each invoice demonstrating appropriate and allowable expenses and employer match
- For trainer wages, documents providing direct expense (gross wages paid) to grant must be provided
- NMWB staff will review submitted data and invoices for accuracy
- NMWB staff will have regular contact with grant recipient to ensure proper information is being maintained
- Lack of response by grant recipient to the NMWB staff may result in termination of the contract

References

20 CFR 682.210(b); 20 CFR 680.810; 20 CFR 680.710(c); 20 CFR 680.700(a); 20 CFT 680.790; WIOA Section 134(d)(4)(D)(iii); WIOA Section 134(d)(4)(iii)(C) and (D); 20 CFR 680.830; 20 CFR.680.840; 20 CFR 680.760; 20 CFR 663.715(b); 20 CFR 680.760(b); 20 CFR 680.760(c); TEGL 19-16; 20 CFR 680.770(a); 20 CFR 680.770(c); WIOA Section 194(10); WIOA Section 181(d)(2); WIOA Section 181(d)(1); 20 CFR 680.810(c); 20 CFR 680.810; 20 CFR 663.720(a); 20 CFR 663.710(a); WIOA Section 2(1) & (3)(24); 20 CFR 680.810(b)&(c); 20 CFR 680.700(b); 2 CFR 200.331

Authorized by:

Approved by:



Marla Rye, Executive Director Date

 11/8/23

John Zobl, Chairman Date