



## PEE DEE LWDA INSTRUCTION NUMBER: 18 - 010

**To:** Pee Dee Local Workforce Development Area Businesses

**Subject:** Incumbent Worker Training Funding Policy

**Issuance Date:** November 27, 2018

**Effective Date:** November 27, 2018

**Purpose:** The purpose of this instruction is to transmit the Pee Dee Workforce Development Area's requirements for Incumbent Worker Training (IWT) funding, to disclose the evaluation criteria upon which each application will be evaluated, and to establish an appeal process for applications not awarded.

**Background:** IWT provides both workers and employers with the opportunity to build and maintain a quality workforce. Training is intended to assist with expansion, new technology, retooling, new services/product lines, and/or new organizational structuring, or to be used as a layoff aversion strategy. IWT can be used to either:

- Help avert potential layoffs of employees, or
- Obtain the skills necessary to retain employment, such as increasing the skill levels of employees so that they can be promoted within the company and create backfill opportunities for less-skilled employees.

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 OSHA certifications) or the occupational training a new hire would need. IWT may be provided using local funds, state reserve funds granted to local workforce areas to serve multiple businesses, or state rapid response funds to assist an individual business in averting layoffs.

**Policy:** This instruction will govern the IWT activities conducted in the Pee Dee Workforce Development Area. It is based upon the SC Department of Employment and Workforce's policies regarding IWT, which have been incorporated into the local area's policy. Furthermore, the following additional guidelines will apply to businesses requesting IWT funds in the Pee Dee LWDA:

1. IWT Awards to a single business or consortium will be limited to no more than \$30,000.
2. Priority consideration will be given to businesses that did not receive IWT funding in the award cycle immediately preceding the cycle for which a new application is made

3. Priority consideration will be given to businesses that use other services of SC Works to meet their hiring and retention needs.
4. Employers requesting Incumbent Worker Training Funding must sign an attestation regarding their workers' eligibility and provide information regarding any apprenticeship designations (if applicable). (Attachment A)
5. The Pee Dee LWDA reserves the right to incorporate a mandatory information session as a condition for application acceptance and/or award. When required, at least one week's notice will be provided as part of the announcement regarding the availability of funding or notice of planned award.

The attached State Guidelines and Pee Dee LWDA's additional requirements will not apply to businesses who are submitting applications for Rapid Response (layoff-aversion) IWT funding.

**Action:** Businesses seeking "traditional" IWT funding (i.e. not for layoff aversion) should complete the WIOA Incumbent Worker Training Program Application and submit it to the LWDA in accordance with the requirements published in the LWDA's request for applications. The availability of IWT funding is advertised on the SC Works Pee Dee website at [www.scworksppeedee.org](http://www.scworksppeedee.org), the SC Works Pee Dee Facebook page, through each county's economic developer, the local technical colleges, Pee Dee Workforce Development Board members, and other interested parties upon specific request.

Upon receipt of the completed applications, they will be evaluated by the economic developers (or his/her designee) for Chesterfield, Darlington, Dillon, Florence, Marion, and Marlboro Counties, using the LWDA's Incumbent Worker Training Application Evaluation Instrument (Attachment B). Applicants meeting the requirements in Sections I and III of the evaluation instrument, will receive ratings on items A-D in Section III. An applicant must receive a minimum score of 70 on items A-D in Section III in order to be eligible funding and any additional "bonus points" available in Section III, Items E & F. Applications will be ranked, highest score first, based on the total score received in Section III and awards will be made in order of ranking until available funding is exhausted. Applicants who were not funded based on a lack of available funding, will receive priority consideration for any funds that become available subsequent to the initial award cycle. All IWT funding decisions made by the Pee Dee Workforce Development Board are final and not subject to appeal.

**Inquiries:** Businesses that wish to be placed on a list to be directly notified regarding the availability of IWT funds or anyone that has questions pertaining to this instruction should contact Dianne Herrington at (843) 687-0091.

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Joette R. Dukes  
Workforce Development Director

# WIOA Incumbent Worker Training Program Guidelines

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## **SCOPE**

This document provides guidance on the operation of locally- and statewide activities-funded Incumbent Worker Training (IWT) programs. Unless otherwise specified, the provisions outlined below apply to both IWT programs.

## **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 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 by 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 LWDA's 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. 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 has been received.

#### **LWDA REPORTING FOR STATE- AND LOCALLY-FUNDED IWT**

The LWDA must submit a completed IWT Agreement Packet to DEW 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 noncompliance 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, the following sanctions may occur: unobligated IWT funding may be recaptured, costs may be disallowed, and/or requests for payment may be delayed until the necessary action(s) are taken.

In addition to the progressive sanctions outlined above, failure to adhere to the requirements of this document will be taken into consideration when determining next year's funding.

**STATE INSTRUCTION LETTERS**

LWDAs should carefully read and become familiar with the state instruction letters that provide guidance on the use of WIOA funds for IWT. Where there are inconsistencies between these guidelines and the state instruction letter, the state instruction letter should be followed.

**PY 18 SC Works Pee Dee  
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 Pee Dee  
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>



**PEE DEE WORKFORCE DEVELOPMENT AREA  
INCUMBENT WORKER TRAINING  
Application Evaluation Instrument**

<b>Applicant Name:</b>	<b>Requested Amount: \$</b> _____		
<b>Part I: Offeror's Eligibility</b>		<b>Yes</b>	<b>No</b>
If the applicant is receiving services through ReadySC, is the proposed training a duplication of services already offered under ReadySC?			
Is applicant a training entity?			
Is applicant a city, county, or state government?			
<i>An answer of "Yes" to any of the questions in Part I makes an applicant ineligible for funding and no additional questions need to be considered.</i>			
<b>Part II: Offeror's Eligibility</b>		<b>Yes</b>	<b>No</b>
Does the business have at least one full time employee?			
Is the business current on all tax obligations?			
Was the application submitted by the established deadline?			
Is the proposed training for incumbent workers as defined by the WIOA Incumbent Worker Training Program Guidelines? Did the employer sign and return the attestation regarding their workers' eligibility?			
If the business relocated and the relocation resulted in a loss of jobs at the original location, has the business been operating at the current location for at least 120 days?			
Did the applicant attend the mandatory information session, if required by the Pee Dee Workforce Development Board as a condition for application?			
<i>An answer of "No" to any of the questions in Part II renders an applicant ineligible for funding and no additional questions need to be considered.</i>			
<b>Part III: Application Evaluation</b>			
<i>The criteria which will be used to evaluate applications for Incumbent Worker Funds under the Workforce Innovation and Opportunity Act are listed below, along with their point values. An application must receive an aggregate score of 70 from designees of the Committee in order to be considered for funding:</i>			
<b>A. Funding Priority/Performance Considerations (50 points maximum)</b>			<b>Score</b>
<ol style="list-style-type: none"> <li>1. Has the applicant clearly outlined the goals and objectives of the training program?</li> <li>2. Does the application indicate the proposed outcomes which can be expected as a result of the employee's completion of the training program (i.e. certifications/credentials, wage advancement, etc) in specific quantitative terms?</li> <li>3. Does the training application indicate significant upgrade in employee skills and/ or wage increases as a result of training?</li> <li>4. Does the application reflect a significant layoff avoidance strategy and local retention opportunities?</li> <li>5. Is the applicant registered in SC Works Online Services (SCWOS) System, so that information can be captured to measure performance outcomes?</li> </ol>			



6. Does the application include a commitment to provide a list of workers to be trained prior to the start of training? Does the application include the employer's commitment to have the incumbent workers receiving the training to input their information, to include their full social security number in SCWOS, or to provide the full social security number to the LWDA for input by grantor staff?		
<b>B. Program Design (30 points maximum)</b>		<b>Score</b>
1. Does the application identify the specific training which will be offered (i.e. industry or company-specific skills; technical and /or computer skills; basic academic skills? 2. Are impacted staff identified and is the proposed training supported by a demonstration of need? 3. Does the application identify the agency(ices) or organization(s) which will be providing the training (i.e. technical school, school district, area vocational-technical center, state college or university, licensed and certified private entity, in-house training program)? 4. Is the proposed training eligible for IWT funding (i.e. not a periodic safety or refresher course, not CPR or First Aid Training, not OSHA certification training)?		
<b>C. Budget /Fiscal Responsibility (15 points maximum)</b>		<b>Score</b>
1. Have previous contracts or agreements with the applicant been terminated or characterized by significant unallowable costs? 2. If the applicant has previously received funding, were the funds awarded to the applicant expended? 3. If the applicant has previously received funding, was the applicant responsive and cooperative with paperwork and monitoring requirements? 4. Are the proposed costs for the training program allowable in accordance with the WIOA Incumbent Worker Training Guidelines and reasonable in terms of the activities to be provided and outcomes to be achieved? 5. Does the applicant detail the amount and source of the required match for the cost of providing training to their employees? Is, based on the number of employees, the proposed match allowable and sufficient to meet the requirements of the IWT Guidelines? 6. Is the evaluator aware of any administrative or legal concerns which would make funding of this application unadvisable?		
<b>D. Application Responsiveness (5 points maximum)</b>		<b>Score</b>
Is each item on the application addressed by the applicant?		
<b>Total Score (Criteria A-D)</b>		
<i>If the Total Score on Sections A-D above is less than 70, it is not necessary to complete Sections E &amp; F.</i>		
<b>APPLICATION BONUSES</b>		
	<b>Yes</b>	<b>No</b>
Does the applicant use SC Works services to support their hiring and retention needs (not including IWT funding)?		

<b>E. SC Works Customer Bonus (10 bonus points)</b>  For applicants who currently use the services of SC Works (i.e. screening, hiring events, on-the-job training, etc.) and scored a minimum of 70 points on criteria A-D, add <b>10 points</b> . <i>(Businesses who do not use SC Works services other than IWT or did not score at least 70 points will receive 0 points in this category.)</i>		<b>Score</b>
	<b>Yes</b>	<b>No</b>
Did the applicant receive funding in the current/preceding program year?		
<b>F. New Applicant Bonus (5 bonus points)</b>  For applicants who did not receive an IWT grant in the funding cycle immediately preceding the period for which a new award will be made and scored a minimum of 70 points on criteria A-D, add <b>5 points</b> . <i>(Businesses that received IWT funding in the preceding funding cycle and/or did not score at least 70 will receive 0 points in this category.)</i>		
<b>Total Score (Criteria A-F)</b>		

Evaluator Signature \_\_\_\_\_

Date \_\_\_\_\_