

 MARICOPA COUNTY MARICOPA COUNTY Workforce Development Board	SECTION/REFERENCE: DES Training Services Policy 9/20 WIOA Final Rule 680.700 - 840 PL 113 - 128; DOL TEGL 19-16	POLICY NUMBER: WDB 20-04
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	AUTHORIZED BY: Maricopa County Workforce Development Board	
SUBJECT: Work-Based Training Services		

Purpose: This policy outlines the work-based training services available to participants enrolled in Workforce Innovation and Opportunity Act (WIOA) Title I-B Adult, Dislocated Worker, and Youth programs provided by ARIZONA@WORK Maricopa County service providers. The purpose of work-based training is to prepare individuals for long-term, unsubsidized employment that leads to self-sufficiency. Work-based training services include On-the-Job Training (OJT), Incumbent Worker Training (IWT), Customized Job Training (CJT), Registered Apprenticeship (RA) programs, and Work Experience (WEX).

Work-Based Training Requirements:

Training must result in transferable skills within the industry in which the worker is currently employed, and/or other growing industries within the Maricopa Local Workforce Development Area (LWDA) and in an occupation with a high potential for sustained demand or growth as determined by the MCWDB. The In-Demand Industries and Occupations by the Maricopa County Workforce Development Board (MCWDB) outlines the approved targeted industries and occupations in which participants may utilize for training. Work-Based Training must not:

- A. Displace any currently employed workers (including a partial displacement such as a reduction in non-overtime work, wage, or employment benefits);
- B. Impair an existing contract for services or a collective bargaining agreement;
- C. Procure, contract for, or incur costs to be paid from WIOA Title IB program funds prior to the start date, as determined by the date when all parties sign the contract/agreement;
- D. Be provided to any company that has relocated within the previous 120 days of its application if the relocation has resulted in any employee losing his or her job at the original location;
- E. Include proprietary training specific to a company, unless skills are determined to be transferable to other businesses or industries; and
- F. Be used to directly or indirectly assist, promote, or deter union organizing

Business Requirements for Work-Based Training:

Maricopa County's Local Workforce Development Board (LWDB) may contract with businesses located within or outside of the local workforce area, including across state lines, as the LWDB determines appropriate. Each business agrees to:

1. Complete an application and enter a contract with the LWDB that is funding the training program;
2. Adhere to applicable WIOA administrative requirements, as well as the nondiscrimination and equal opportunity provisions of WIOA Section 188;
3. Provide a Training Development Plan that identifies the training needs and competencies that will be achieved for each individual selected to receive the training;
4. Provide copies of a "Certificate of Completion" to the LWDB for each individual who successfully completes the prescribed training program. Such certificates must contain the individual's name and the class or course completed through training;
5. Employ, or in the case of IWT continue to employ, an individual upon successful completion of training;
6. Be available for LWDB program monitoring on a scheduled basis;
7. Provide quarterly post-training reports, including information on the retention, and/or promotions of trainees and the impact of training on the business, for one year after the completion of the training; and
8. Provide worker's compensation insurance to participants participating in work-based training.

Participant Eligibility: Individuals must be determined eligible for the appropriate WIOA program, (Adult, Dislocated Worker, Youth) and determined to need training services to achieve economic self-sufficiency. Work-based contracts may be written for an employer's existing workers under the following conditions:

- A. The employee is not earning a self-sufficient wage as determined by LWDB policy; and
- B. The training relates to an:
 1. Introduction of new technologies;
 2. Introduction to new production or service procedures;
 3. Upgrade to new jobs that require additional skills such as:
 - a. Workplace literacy; or
 - b. Other appropriate purposes identified by the LWDB.

Performance Requirements: The Maricopa County Workforce Development Board will collect performance data to ensure employers who are participating in work-based training are fulfilling their commitment to hire participants after they complete the training programs. The LWDB will not contract with an employer who has exhibited a pattern of failure to provide training participants with continued long-term employment that includes wages, benefits (including health benefits) and working conditions that are equal to those of regular employees who have worked a similar length of time and who are doing the same type of work.

Types of Work-Based Training Services:

On-the-Job Training is a work-based training service in which training is provided by an employer to a paid participant while engaged in productive work in a job that –

- A. provides knowledge and skills essential to the full and adequate performance of the job.;
- B. is made available through a program that provides reimbursement to the employer of up to 50 percent of the wage rate of the participant for the extraordinary costs of providing the training and additional supervision related to the training; and
- C. is limited in duration as appropriate to the occupation for which the participant is being trained, considering the content of the training, the prior work experience of the participant, and the service strategy of the participant, as appropriate.

OJT Contracts: OJT training is provided through a contract with an employer or a Registered Apprenticeship (RA) sponsor who is reimbursed a percentage of the wage rate of the participant being trained while engaged in productive work in a job. OJT contracts may be developed with Registered Apprenticeship (RA) programs or participating employers in the RA program to cover OJT training portions. Depending on the length of the program and local OJT policy, training funds may be used to cover some or all OJT and related technical instruction costs throughout the duration of the RA program. Individual Training Accounts (ITAs) may be combined with OJT contracts when placing participants into RA programs. OJT contracts with RA programs must be consistent with other OJT requirements in this policy.

OJT Time Limits: Time limits for OJT are based on the following criteria and cannot exceed six months in duration:

1. Skill requirements of the occupation
2. Academic and skill level of the participant;
3. Prior work experience; and
4. The goals outlined on the participant's Individual Employment Plan (IEP).

Employer Reimbursement: Employers may be reimbursed up to 50 percent of the participant's hourly wage. Individuals with barriers to employment can be reimbursed up to 75 percent of the participant's hourly wage when considering the following factors:

1. The characteristics of the participants, taking into consideration whether they are "individuals with barriers to employment," as defined in WIOA sec. 3(24);
2. The size of the employer, with an emphasis on small businesses;
3. The quality of employer-provided training and advancement opportunities, for example if the OJT contract is for an in-demand occupation and will lead to an industry-recognized credential; and
4. Number of employees participating, wage and benefit levels of the employees (both at present and after completion), and relation of the training to the competitiveness of the participant.

Registered Apprenticeships (RA) is an industry-driven system of employment, on-the-job training, and related technical instruction. As an employee, an apprentice receives supervised, structured on-the-job work experience combined with related technical instruction (RTI). Apprenticeship training may be

offered by businesses, employer associations, and jointly by management and labor organizations. RA programs include a minimum of 2000 OJT hours and 144 hours a year of RTI.

If an Individual Training Account (ITA) is used to procure apprenticeship training for a participant, the RA program must be listed on Arizona's Eligible Training Provider List (ETPL). The ITA amount will be in accordance with the current funding tiered LWDB policy. ITAs may be used to support Registered Apprenticeship participants in:

- A. Pre-apprenticeship training leading to a RA program;
- B. Training tuition for a RA program to the training provider;
- C. Classroom instruction, in combination with OJT, to cover some or all of the OJT portion of the RA;
- D. Supportive services, in coordination with career, and/or training services. Supportive services may include tools, uniforms, shoes, special equipment, and transportation assistance.

Work Experience although not considered a WIOA "training" service, Work Experience (WEX) or Internship is available to WIOA adult and youth participants as a planned, structured, time-limited learning experience that takes place in a workplace. WEX may be paid or unpaid, and may be provided in the private for-profit, non-profit, or public sectors. WEX provides participants with opportunities to gain exposure to the labor market, explore career options and develops the knowledge and skills needed to secure and retain employment.

WEX Agreements: WEX activities are provided through an agreement with the employer. Wages are provided by the WIOA service provider and paid directly to the participant developing an employer/employee relationship between the service provider and participant. Employers are not monetarily compensated. WEX agreements must contain, at a minimum, the following:

- Clear statement of purpose;
- Identification of all parties including the WEX participant;
- Requirements of the employer, participant and WIOA service provider;
- WEX start and end dates;
- Training job title and responsibilities;
- Required tools, equipment or uniforms, supportive services if applicable
- Wages to be earned;
- Concurrence between employer and union if WEX is under a collective bargaining agreement, if applicable;
- A training plan that is incorporated into the WEX agreement.

Employer Eligibility: Employers must be licensed to operate in Arizona, be registered with Arizona Department of Economic Security Department for Unemployment Insurance, carry Workman's Compensation Insurance and provide their Federal Employer Identification Number (FEIN). In addition, the employer must:

- Have safe and healthy working conditions with no previously reported health and safety violations that have been reported but not been corrected;
- Not illegally discriminate in training or hiring practices because of race, color, sex, national origin, religion, physical or mental disability, political beliefs or affiliations or age;
- Not terminate current employees or otherwise reduce its workforce either fully or partially (such as reduction in hours or benefits) with the intention of filling the vacancy with a WEX participant or as the result of having a WEX participant;
- Not allow the WEX activity to result in the infringement of promotional opportunities of current employees;
- Not allow participants to be involved in the construction, operation or maintenance of any part of any facility that is used, or to be used, for religious instruction or as a place for religious worship.

WEX Timeframe: There are no regulations governing the amount of time a participant may be placed in a WEX. When determining the duration of a WEX activity, the following should be considered:

- Objectives of the WEX;
- Length of time necessary for the participant to learn the skills identified in the learning plan;
- The employer having sufficient quantity of meaningful work activities for the participant;

Participant Compensation: Participants enrolled in a paid WEX will be compensated at an hourly wage not less than the State or local minimum wage, whichever is higher. Participants are paid only for the hours worked during the WEX as documented on the participant's WEX time sheet.

Youth Program WEX Requirements WEX / Internships is one of the WIOA youth program elements and consists of four subcategories: Summer Employment Opportunities, Pre-apprenticeship Programs, Internships and Job Shadowing and On-the-job Training opportunities.

All Youth WEX activities must include academic and occupational education.

Not less than 20 percent of allocated Youth funds may be used for paid and unpaid WEX activities. WEX expenditures include wages as well as staffing costs for the development and management of work experiences.

Customized Job Training is training by an employer, or group of employers, or by a training provider in conjunction with employer(s). The training must be provided to five or more paid participants concurrently while engaged in productive work in a job that:

- A. Provides knowledge or skills essential to the full and adequate performance of the occupation;
- B. Provides reimbursement to the employer for the costs of providing the training and additional supervision related to the training; and

- C. Is limited in duration as appropriate to the occupation for which the participant is being trained

Customized training is competitively procured group training, in lieu of individual training accounts, that is designed to meet the specific and unique needs of an employer. Customized training should be considered when available training programs and/or curricula do not meet the specific training requirements of employer(s)

Participant Eligibility: For an individual to qualify for CJT under the WIOA guidelines, he/she will:

- A. Lived in Arizona
- B. Have enrolled with the local workforce development area WIOA Adult or Dislocated Worker programs
- C. Have completed an initial assessment or evaluation and have been determined to need training to find employment
- D. Unlikely or unable to attain employment that leads to economic self-sufficiency as defined by the current Lower Living Standard Income Level or wages comparable to or higher from previous employment through career services
- E. Earn less than \$20.00 per hour
- F. Have an Individual Employment Plan (IEP) that documents the participant's interests, abilities, and needs
- G. Is unable to obtain grant assistance from other sources to pay for the cost of training or require WIOA Title I-B assistance in addition to other sources of grant assistance

Employer Eligibility: Eligible employers able to participate in CJT contracting include: private-for-profit businesses, private non-profit organizations, and public sector employers. The employer must:

- A. Be located and conducting business in Arizona
- B. Complete a Customized Training Application and enter into a contract with Maricopa County
- C. Be current in unemployment insurance and workers' compensation taxes, penalties, and/or interest or related payment plan
- D. Be in need of assistance in training future and current employees
- E. Be able to contract for customized, short-term, training services (typically less than 6 months); and
- F. Not have laid-off workers within 120 days to relocate

An employer will NOT be eligible to receive WIOA CJT training reimbursements if:

- A. The employer has any other individual on layoff from the same or substantially equivalent position
- B. The CJT would infringe upon the promotion of or displacement of any currently employed worker or a reduction in their hours
- C. The same or a substantially equivalent position is open due to a hiring freeze
- D. The positions are for seasonal employment
- E. The position is not full time

Occupational Eligibility: CJT funds must be used on in-demand occupations, as selected by the MCWDB, which lead to employment opportunities enabling the participant to become economically self-sufficient and which will contribute to the occupational development and upward mobility of the participant.

Incumbent Worker Training is defined within WIOA Section 134(d)4(B) as training that is designed to meet the special requirements of an employer (including a group of employers) to retain a skilled workforce or avert the need to lay off employees by assisting the workers in obtaining the skills necessary to retain employment and is conducted with a commitment by the employer to retain or avert the layoffs of the incumbent worker(s) trained.

This type of Incumbent Worker Training provides workers and employers the opportunity to build and maintain a quality workforce. This policy is to establish the rationale and criteria for use and provision of service for the business customer. Incumbent Worker training can be used to:

- A. Avoid layoff of employees; and
- B. Increase the skill levels of employees so they can be promoted within the company and create backfill opportunities for the employers

Worker Criteria: To qualify as an incumbent worker, the individual must:

- A. Live in the State of Arizona;
- B. Meet the Fair Labor Standards Act for an employer-employee relationship; and
- C. Be employed by the contract employer with an established work history for at least six months
- D. When a cohort of incumbent workers is being provided WIOA 20 CFR Section 680.780 states not every employee in the cohort must have an established employment history with the employer for six months or more as long as a majority of those employees being trained do meet the employment history requirement

If the incumbent worker is enrolled in WIOA Title IB Adult and Dislocated Worker program, eligibility standards will need to be met. If the incumbent worker is not currently enrolled in WIOA Title IB Adult and Dislocated Worker program, eligibility standards will not be required. However, this incumbent worker is considered a "reportable individual" according to policy 400.403, Data Integrity and the Customer Participation Cycle, Section III., Definitions.

Business Criteria: All businesses must be located and conducting business within the State of Arizona. Incumbent Worker Training contracts will not be provided to any business that has relocated within the previous 120 days of its application if the relocation has resulted in any employee losing his or her job at the original location. Each business agrees to:

- A. Complete an application that meets the Incumbent Worker Training Assessment Rubric and enter into a contract with Maricopa County;
- B. Demonstrate why and how the training will provide skills necessary to retain or avert layoffs;
- C. Adhere to applicable WIOA Title 1B administrative requirements as well as the nondiscrimination and equal opportunity provisions of the laws;
- D. Provide a Training Development Plan that identifies the training need and competencies that will be achieved for everyone selected to receive the training (provided in application package);
- E. Provide copies of a "Certificate of Completion" for everyone who successfully completes the prescribed training program. Such certificates must contain the individual's name and the class or course completed through training;
- F. Continue to employ an individual upon successful completion of training;
- G. Be available for program monitoring on a scheduled basis; and
- H. Provide quarterly post-training reports, including information on the retention and/or promotions of trainees and the impact training made on the business, for one year after the completion of the training.

Training Criteria: Requested incumbent Worker Training Must not:

- A. Displace any currently employed workers (including a partial displacement such as a reduction in non-overtime work, wage, or employment benefits);
- B. Impair an existing contract for services or a collective bargaining agreement;
- C. Procure, contract for, or incur costs to be paid from WIOA Title IB program funds prior to the start date, as determined by the date when all parties sign the contract;
- D. Include proprietary training specific to a company, unless skills are determined to be transferable to other businesses or industries;
- E. Be used to directly or indirectly assist, promote, or deter union organizing; and
- F. Be used if the organization has internal training programs and/or employee reimbursement programs that are provided to the employees for the requested training.

Application process will identify one or more of the following training criteria that creates benefit to the individual workers participating in training:

- A. Layoff aversion;
- B. Attainment of self-sufficiency as measured by the Lower Living Standard Income Level (LLSIL);
- C. Individual job pathing via promotion pending successful completion of training;
- D. Increased wage pending successful completion of training;
- E. Number of employees participating in the training;
- F. Relationship to the competitiveness of the employer and the employees; or
- G. If essential skills training that addresses abilities, traits and behavior rather than formal technical knowledge training, is required, then the submitted application should demonstrate a programmatic approach that results in an increase in competitiveness of the employee.

Employer Match: Employers participating in Incumbent Worker Training must pay a significant portion of cost of the training for those participants in Incumbent Worker Training. This can be done through both cash and/or in-kind payments. In-kind funds are defined as hourly wages paid to participants while in training. Rules for matching funds are provided in the Uniform Guidance and Department of Labor (DOL) exceptions at 2 CFR 200.306 and 2 CFR 2900.8 respectively.

Section 134(d)(4)(D)(ii) of WIOA provides the minimum amount of employer share in the Incumbent Worker Training is dependent on the size of the employer:

- A. The non-federal share depends on the size of the employer and must not be less than:
- B. Ten percent of the cost for employers with not more than 50 employees;
- C. Twenty-five percent of the cost for employers with more than 50 employees, but not more than 100 employees; and
- D. Fifty percent of the cost for employers with more than 100 employees.

Performance Reports: Performance data will be collected at the end of the contract to ensure employers who are participating in Incumbent Worker Training are fulfilling their commitment to retain training participants after they complete the training program. Tracking will include variables defined in the application form including:

- A. Layoff aversion;
- B. Attainment of self-sufficiency;
- C. Individual job pathing via promotion pending successful completion of training;
- D. Increased wage pending successful completion of training;
- E. Number of employees participating in the training;

- F. Relationship to the competitiveness of the employer and the employees;
- G. Confirmation of successful skills completion;
- H. Within 30 days of completion of training, submit invoices for reimbursement and provide copies of certifications of training completions for each trainee/employee; and
- I. Within 60 days of completion of training, provide work related outcomes (promotions, salary increase, etc.) of employees that participated in training.

Policy Management

Administrative revisions to the policy which are consistent with local, state, and federal laws, may be made by the Maricopa County Workforce Development Board Executive Director, with notice to the MCWDB Board's Executive Committee. All other substantive revisions will go to the MCWDB's Executive Committee for review and recommendation to the full MCWDB for approval.