

South Central Iowa Local Workforce Development Board

Customized Training Policy

Approved Date: October 24, 2022

Effective Date: October 24, 2022

References

Workforce Innovation and Opportunity Act (WIOA) Final Rules Workforce Services Policy
Chapter 8 WIOA Title 1B Programs

Purpose

This policy provides criteria to determine which workers, or groups of workers, are eligible for Customized Training services and the cost sharing required for Customized Training projects. ([WIOA Section 134\(d\)\(4\)](#)).

Background

The Workforce Innovation and Opportunity Act (WIOA) defines “customized training” (CUS) as training that:

- Is designed to meet the special requirements of an employer (including a group of employers);
- Is conducted with a commitment by the employer to employ an individual upon successful completion of the training; and
- For which the employer pays for a significant portion of the training.

South Central Iowa Workforce Area adopts this policy to guide the investment of WIOA title I funds in CUS opportunities. The investment of funds will be driven by our strategic priorities, in-demand occupations, and related targeted industry clusters but most importantly by local employers with an unmet workforce need. While any employer that qualifies for CUS may be approved, CUS opportunities are ideally suited for those businesses that plan to expand their operations and are seeking the opportunity to hire new employees but have found the current workforce to be in need of additional specialized training.

Substance

Fund Reimbursement

The maximum amount of CUS funding per participant is \$6,000. The maximum amount of funding per participant for a CUS and on-the-job training (OJT) hybrid contract is \$8,000 with a maximum of \$6,000 for the CUS portion of the contract. If a qualifying employer receives a joint CUS-OJT contract, he/she must match the funds expended for both opportunities but an in-kind match will only be permitted for CUS funds.

- In limited circumstances, based on factors including participant barriers, availability of funding, and other applicable factors, a participant/employer may request that the LWDB waive the \$6,000 funding cap to provide additional support.

An employer must contribute a match for a significant portion (not less than 50%) of the training. The precise match percentage will be determined based on factors such as the size of the employer, the number of employees participating in training, wage and benefit levels of those employees (at present and anticipation upon completion of the training), relation of the training to the competitiveness of a participant and other employer-provided training and advancement opportunities.

- An employer match can be in-kind (such as classroom space, equipment use, use of materials/supplies, employee time etc.) or cash.

While there is no cap on the overall amount of funds available to employers, the service provider will review the amount expended on any one employer to ensure equitable distribution or for the purpose of prioritizing the investment of WIOA funds.

Participant Eligibility

Customers who meet the eligibility requirements for training will have access to CUS opportunities. The length of training is determined by the approved training plan. CUS opportunities may be made available to unemployed adults and dislocated workers who:

- After an interview, evaluation or assessment and career planning¹, staff have determined that the individual:
 - Is unlikely or unable to obtain or retain employment that leads to economic self-sufficiency or wages comparable to or higher than wages from previously employment through career services.
 - Is in need of training services to obtain or retain employment leading to economic self-sufficiency or wages comparable to or higher than wages from previous employment.
 - Has the skills and qualifications to participate successfully in training services.
- Have selected a program of training services that is directly linked to the employment opportunities in the local area.
- Are unable to obtain grant assistance from other sources to pay for training.
- Are determined eligible in accordance with the Adult priority of service, if training services are provided through the adult funding stream.

The participant's case file must contain a training justification case note documenting the determination through the interview, evaluation, or assessment and career planning informed by local labor market information.

CUS for Employed Workers

An individual may also qualify for a CUS if he/she is considered underemployed. An individual is determined to be underemployed if:

- The employee is currently working but not earning the self-sufficient training wage (see *SCIWA Self-Sufficiency Policy*)
- The employee meets all other applicable requirements; and
- 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 as identified by Philadelphia Works.

Employer Eligibility and Requirements

CUS are available to employers in the public, private non-profit, or private sector. The service provider will contract with employers or training providers for CUS. In addition, in order to receive CUS funds, an entity must:

- Exhibit an employer need; providers will conduct an analysis to assess the existence of a skill gap.
- Contribute a significant portion of funds for training.
- Commit or obtain a commitment to fill a certain number of spots with individuals who successfully complete the training, as outlined in the training contract. This commitment will be in the form of an immediate, qualifying full-time hire upon completion of the training.
- Cooperate with monitoring efforts as required by WIOA legislation and adhere to all other applicable local, state and federal rules and regulations.

The service provider will pre-screen candidates based on the qualifications necessary to complete the training program. Employers will have opportunities to engage with and screen trainees from the selected pool of WIOA participants during the training period.

The service provider will not contract with an entity that has previously exhibited a pattern of failing to obtain or provide continued long term employment with wages, benefits (including health benefits) and working conditions that are equal to those provided to regular employees who have worked a similar length of time and are doing the same type of work. If an employer lays-off a CUS funded employee, the service provider will not refund that position or one similar to it within a three year period. The first year begins at the start of the new fiscal year that immediately follows the layoff date. CUS funds will not be used to directly or indirectly aid in the filling of a job opening which is vacant because the former occupant is on strike, or is being locked out in the course of a labor dispute, or the filling of which is otherwise an issue in a labor dispute involving a work stoppage.

Employee Compensation

Jobs for which CUS funds are received must meet the SCIWA self-sufficiency wages, upon completing the CUS, with evidence that the position is on a career pathway towards higher level and/or higher paying jobs.

- Individuals in CUS must be compensated at the same rates, including periodic increases, as trainees or employees who are similarly situated in similar occupations by the same employer and who have similar training, experience and skills. Individuals must also be offered benefits and working conditions at the same level and to the same extent as other trainees or employees working a similar length of time and doing the same type of work.

Regulatory Limitations and Federally Prohibited Activities

- WIOA title I funds must not be spent on:
 - Construction, purchase of facilities or buildings, or other capital expenditures for improvements to land or buildings;
 - Sectarian activities;

- Wages of incumbent employees during their participation in economic development activities provided through a Statewide workforce investment system; Public service employment, except to provide disaster relief employment, as specifically authorized in section 194(10) of WIOA;
- Expenses prohibited under another Federal, State or local law or regulation;
- Sub-awards or contracts with parties that are debarred, suspended, or otherwise excluded from or ineligible for participation in Federal programs or activities;
- Contracts with persons falsely labeling products made in America;
- Foreign travel;
- Funds provided to employers for CUS must not be used to directly or indirectly assist, promote or deter union organizing.
- Funds must not be used or proposed to be used for the encouragement or inducement of a business or part of a business to relocate from a location in the United States if the relocation results in any employee losing his or her job at the original location.
- Funds must not be used or proposed to be used for any business or part of a business that has relocated from a location in the United States, until the company has operated at the new location for 120 days, if the relocation has resulted in any employee losing his or her job at the original location.
- A participant in a CUS will not be employed in or assigned to a job if:
 - Any other individual is no layoff from the same or any substantially equivalent job;
 - The employer has terminated the employment of any regular, unsubsidized employee or otherwise caused an involuntary reduction in its workforce with the intention of filling the vacancy with the participant; or
 - The job is created in a promotional line that infringes in any way on the promotional opportunities of currently employed workers.
- A participant in a program or activity authorized under title I of WIOA must not displace (including a partial displacement, such as a reduction in the hours of non-overtime work, wages, or employment benefits) any currently employed employee (as of the date of the participation).
- CUS are not intended to impair any existing contracts for services or collective bargaining agreements. When a program or activity authorized under title I of WIOA would be inconsistent with a collective bargaining agreement, the appropriate labor organization and employer must provide written concurrence before the program or activity begins.

References:

WIOA Section 3(23)

WIOA Section 134(d)(4)

Proposed 20 CFR 680.780, 680.790 and 680.820

2 CFR 200.306

TEGL 19-16

Action

All staff will follow the policies outlined.

Contact

If there are any questions related to the information in this issuance, contact Krista Tedrow at executivedirector@sciwalwdb.org



Natalie McGee
South Central Iowa LWDB Chair

*Equal Opportunity Programs/Employer – Auxiliary aids and services available upon request
for individuals with disabilities*