

**Incumbent Worker Training Policy and Procedures  
for the  
Northeast Ohio Consortium Council of Governments  
Workforce Innovation and Opportunity Act**

**POLICY A-07**

**I. Purpose and General Outline.**

The purpose of this policy is to provide the terms and conditions pursuant to which Area 19 provides incumbent worker training (“IWT”) reimbursement to employers. IWT reimbursement of the training is available where it is for new skills instruction and is needed to make the employer and trainees more competitive, and/or avert layoffs.

The Area’s IWT program is not an entitlement program. The decision to provide assistance to an employer that applies for IWT reimbursement prior to training starting will be made on a case-by-case basis, considering the totality of all of the circumstances associated with the employer, the employees to be trained, the training, etc., based on information gathered within the employer’s application. The Area’s Sub-Area providers have sole discretion to accept or reject any and all applications, based upon the criteria set forth within this policy, and/or any other relevant criteria it deems appropriate. The Sub-Area providers may pause and/or cease taking applications when its budgeted resources for IWT have been exhausted.

This policy has been drafted to comply with ODJFS WIOA Policy Letter No. 15-23.2. This policy has also been crafted to complement and supplement, but not compete against or replace other opportunities for IWT offered by other State of Ohio Agencies, including but not limited to the TechCred program. Only where an employer’s training is not eligible for TechCred, or other similar IWT program reimbursement, or reimbursement from those other programs is not sufficient, this policy is intended to serve as a substitute or replacement for the same.

**II. Effective Date.**

October 1, 2018; latest revised version September 27, 2023.

**III. Definitions.**

Cohort: a group of trainees to be trained by an employer as part of a single application for IWT. All of those trainees that are covered by the IWT application and the agreement make up the cohort.

Immediate family: Spouse, child, son-in-law, daughter-in-law, parent, mother-in-law, father-in-law, sibling, brother-in-law, sister-in-law, aunt, uncle, niece, nephew, stepparent, stepchild, grandparent, and grandchild.

Incumbent worker: a worker employed by their employer pursuant to the definition of employment provided for within the Fair Labor Standards Act (“FLSA”):

1. for the requisite amount of time by the employer which is:
  - a. for at least six (6) months when the incumbent worker training start; or
  - b. for less than six (6) months so long as the majority of those in the IWT cohort have been employee for six (6) months

Incumbent worker training: training designed to meet the special requirements of an employer, or 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 or to create the opportunity for increased earnings potential through promotion.

Layoff aversion: a continuum of strategies targeted to specific employers or industries that are experiencing a decline and have the potential to undergo layoffs, or are experiencing a serious skills gap that impacts their ability to compete and retain workers. A layoff is considered to be averted when:

1. A worker’s job is saved at an existing employer facing a risk of downsizing or closing;  
- or -
2. A worker at risk of dislocation faces a brief gap of unemployment when transitioning to a different job with the same employer or is hired at a new job with a different employer.

Management skills training: Is any training that results in:

1. An actual certificate or belt in LEAN or Six Sigma (this does not include introduction to LEAN or Six Sigma concepts or principles); or
2. Any training in which the education and/or skills are managerial or supervisory in nature, and/or which the employer only enrolls managerial or supervisory employees within the cohort for the same;  
- and -
3. The reimbursement to be provided to the employer for the IWT is at or above the Area’s significant per participant, per class, reimbursement level.

Miscellaneous IWT: all other IWT that does not meet all of the elements defined as “management skills training.”

Non-federal share: the portion of training costs the employer is required to pay for its participation in federally subsidized IWT. The minimum non-federal share to be provided for by an employer is determined by the terms and conditions of this policy. See Section V. (F.) (5.) of this policy.

Significant per participant, per class, reimbursement level: any IWT that would result in a per participant, per class, reimbursement by the Area of Four Thousand and 00/100 Dollars (\$4,000.00), or more. Note that a training that meets this definition will in cases of managerial or supervisory training require that trainees receive a bonus or pay increase, and for all other miscellaneous IWT

#### **IV. Application Process.**

##### **A. Introduction.**

All employers seeking IWT reimbursement assistance must submit a signed and fully completed copy of Area 19's application. Attached to this Policy as Appendix 1, is the Area's Employer Application which is to be used by employers who are seeking any type of training assistance.

##### **B. Application Period.**

Each Sub-Area provider of IWT services will establish their own application period, including when they are accepting applications and when they are not. A Sub-Area IWT provider may choose to continuously accept applications, with all applications being considered on a first-come, first-served basis. Alternatively, a Sub-Area IWT period may elect to open and close IWT application periods at-will. If the Sub-Area's application period is not continuously open for applications, or if there is an application period set, the Sub-Area will try to communicate this schedule to local employers.

##### **C. Application Review.**

###### **1. In General**

Each Sub-Area provider of IWT services will establish their own IWT application review committee. The committee membership can change at any time, including from application to application depending upon the membership's availability to review the same. The review committee will be made up of at least three (3) individuals for each application. There is no maximum of individuals that can serve on a review committee. The only requirement is that one of those individuals must be a representative of the Area 19 Board staff which will either be the Executive Director of the NOC COG, a Board staff member, or a WDB member. The other individuals to serve on the review committee are determined by the Sub-Area provider of IWT.

###### **2. Suggested membership of the IWT application review committee.**

Some suggestions of who the Sub-Area provider may want to have serve on the review committee are:

- Director for the Area WDB, or his/her representative.

- A county commissioner from the Sub-Area where the employer is located or their proxy.
- An economic developer from the Area (regardless of whether they are on the WDB or not).
- The Director of the CDJFS of the Sub-Area where the employer is located or his/her proxy.
- The business services staff of the Sub-Area's adult and dislocated worker provider.
- The employer services representative staff of the ODJFS assigned to WDB Area 19.
- One or more representatives of the Sub-Area's adult and dislocated worker provider.
- A member of the fiscal staff of the Sub-Area's adult and dislocated worker provider.

3. Application review and scoring of the same.

a. Review.

The IWT application review committee will review all IWT applications submitted. The Sub-Area provider will set the time period for which applications submitted will be reviewed. Where the Sub-Area provider has set a time period for collecting and reviewing applications, all applications will be reviewed no later than within thirty (30) days after the application/deadline has closed. Where the Sub-Area is receiving and reviewing IWT applications on a first-come, first-served basis, all applications will be reviewed no later than within fifteen (15) days from when a completed application was submitted.

b. Acceptance, rejection, and scoring.

Each application will either be approved or rejected based upon the terms of this policy. All IWT applications will also be scored based upon the criteria provided for within the Application Review Checklist and Scoring Document, Attached as Appendix 2. The approval or rejection may be based upon the proposed IWT failing to qualify as allowable pursuant to one or more terms and conditions of this policy, or because the review committee deems the overall score assigned to the proposal or quality of the proposal to be inadequate. Any application that does not receive a perfect score for the first section of the Application Review Checklist and Scoring Document, will be rejected. The scoring of the IWT application will also be used in circumstances where the Sub-Area provider has made the determination that funding for IWT is limited, to determine which IWT applications will be awarded and which will be denied. Higher scoring applications will be awarded over lower scoring ones where funding is limited. Typically, the score awarded in relation to an application will only be meaningful where funds are limited, and not all submitted or anticipated IWT applications can be fulfilled.

4. Communications with the Employer.

a. Incomplete or questioned applications.

If something about the application is determined to be incomplete, or if the committee has questions regarding the application, the employer and/or the educational provider will be given a chance to address those concerns before the application is rejected.

b. Rejections.

If an employer's IWT application is rejected, that rejection and reason for the same shall be promptly communicated to the employer via some form of correspondence. Emails are an acceptable form of communication.

c. Approval.

If an employee's IWT application is accepted and approved for any amount of reimbursement, the acceptance will be promptly communicated to the employer, including the maximum amount of reimbursement that was approved. Either with the communication, or shortly thereafter, the Sub-Area provider will also forward to the employer a contract that applies to the IWT reimbursements approved.

**V. Terms and Conditions of Incumbent Worker Training.**

**A. General Rules Regarding ITAs for Which Reimbursement is Allowed.**

1. Training must result in new skill attainment for each trainee, and provided by an independent, third-party trainer/educator unaffiliated with the employer.

All IWT must result in the trainees receiving instruction on new skill attainment. If new skills are not conferred, the training proposed is not eligible. As a result, no IWT that involves a re-certification, or serves as re-training, as a refresher course, or is part of a continuing education requirement to keep a licensure/certificate is eligible.

All IWT must be provided, by an independent, third-party trainer/educator. Training can be in-person, and/or virtual. The instruction ideally should be live, but recorded, progress monitored instruction will be considered and allowed if the program is deemed to have merit.

2. Training must benefit both the employer and the trainees.

All IWTs should serve as both a benefit to the employer, and to the trainees who receive the training. As a result, the Area shall prefer and promote IWTs that at the conclusion allow the trainee to secure a state licensure, and/or a post-secondary degree, credit, and/or an industry recognized credential or certificate. While those are the preferred IWTs, any IWT that confers new skills on its trainees is an allowable IWT within Area 19, even if it does not result in a tangible certificate or credential.

3. Reimbursement is contingent upon the successful completion of the training, and employers bear the risk of not being reimbursed, unless the employee timely and successfully completes all aspects of the IWT.
  - Employers front all expenditures, and for each trainee that successfully complete training, is eligible for partial or complete reimbursement of the employer's training allowable expenditures (wages are not allowed to be reimbursed).
  - Training that is meant to result in licensure, degree, credit, or tested for credential or certificate must result in the same in order for the employer to be reimbursed.
  - For any IWT that is meant to result in licensure (i.e. Commercial Driver's License, State Tested Nurse Aide), an employer will not be reimbursed for a trainee that does not successfully complete the training, sits for the licensing examination, successfully passes the same, and secures the desired licensure.
  - For any IWT that is meant to result in a post-secondary degree, credit, and/or industry recognized credential or certificate, an employer will not be reimbursed for a trainee unless and until that milestone is actually achieved and conferred upon the trainee.
  - If there is a certificate that can be achieved after the IWT, but an examination must be sat for and successfully passed, the IWT will not be approved unless the employer agrees to have all trainees sit for the examination, and reimbursement will only be provided for those that successfully secure a passing score.
  - For any IWT that is meant to only confer new skills on its trainees, and will not result in an industry recognized credential/certificate or higher, reimbursement is conditioned only on the satisfactory completion of the training as determined by the educational provider.
4. Training that can be reimbursed by another available grant or program, should be.

The WIOA funding is limited when it comes to IWT. No Sub-Area can expend more than 20% of the Adult and D.W. budget they have been provided on IWT, unless they have been given permission by the Area 19 Executive Director to expend more. In addition, there are other demands on Adult and D.W. budgets. As a result, where there are other IWT grant or funding opportunities, such as TechCred that the employer could apply for and from which they would likely

receive full reimbursement, they should be directed to apply there, and/or have their IWT application placed on hold until they apply for and are rejected by that other grant.

5. There are different terms and conditions for different types of employers (for-profit, governmental, non-for-profit) and for different sized employers.

See the remainder of the policy.

6. When the IWT qualifies as management skills training, as defined by this policy, there are additional requirements.

If the IWT meets the definition of management skills training, the IWT application may not be approved for a trainee and reimbursement may not be provided unless:

- a. Each trainee that completes the training receives will receive a raise that will cover the cost of the training over the course of one year's time.
  - b. The raise or bonus has been paid in full or has been implemented in part at the time reimbursement has been sought.
7. When the IWT sought by the employer is for miscellaneous skills training as opposed to management skills training, and it has a significant per trainee cost, the Sub-Area provider may impose the following additional requirements.

For any training that is at or greater than the amount set by the Area as the "significant per participant, per class, reimbursement level," the Sub-Area IWT application review committee may at its discretion, on a case-by-case basis require the employer to demonstrate:

- a. Each trainee that completes the training receives will receive a raise that will cover the cost of the training over the course of one year's time.
- b. The raise or bonus has been paid in full or has been implemented in part at the time reimbursement has been sought.

**B. Types of IWT Not Available for Reimbursement, Unless a Limited Exception is Granted.**

1. Re-certifications, re-trainings, refresher courses, continuing education requirements to keep a licensure or certificate. The Area WDB may lift this restriction on a case-by-case basis where the totality of the circumstances suggest that this would be a good investment of Area resources.
2. Seminars, retreats, or trainings of any kind where there is a singular price that includes non-reimbursable expenditures including but not limited to travel, meals, alcohol, entertainment, overnight accommodations, etc. The Area WDB may lift this restriction on a case-by-case basis where the totality of the circumstances

suggest that this would be a good investment of Area resources, and sufficient safeguards have been undertaken to make sure that the employer is only being reimbursed for allowable IWT expenditures.

3. IWT where the educational provider is employed by the employer seeking IWT reimbursement assistance in an employment or any other agency capacity, and is not an independent, third-party educator. The Area WDB may lift this restriction on a case-by-case basis where the totality of the circumstances suggest that this would be a good investment of Area resources.
4. IWT where the employer is not willing to make the contractual commitment with the third-party educational provider to arrange for the training, and to pay for it up-front, with it being reimbursed by the Sub-Area provider of Area 19 after the training expenses have been incurred. A Sub-Area provider may only agree to pay the third-party educational provider directly for IWT requested by an employer under the following conditions:
  - a. Where the IWT is to be provided by a third-party educational provider for an educational program that is on ODJFS' eligible training provider list in the WIET system, the Area 19 may contract directly with the provider for the provision of a IWT, and pay the educational provider directly, as opposed to requiring the employer to be reimbursed.
5. IWT where any part of the training for which reimbursement is being sought was started before the employer's application was approved, and a signed IWT reimbursement agreement has been entered into. The Area WDB may lift this restriction on a case-by-case basis where the totality of the circumstances suggest that all parties had engaged in good faith actions to try to come to an agreement and reduce it to writing for an IWT, the employer reasonably believed that their training was approved, and/or it was not timely approved due to inaction by the Sub-Area provider staff, and it would be unfair not to reimburse the employer.
6. Where the trainees do not successfully obtain licensure, degree, credit, certificate/credential, and/or complete the training to the satisfaction of the educational provider. The Area WDB may lift this restriction on a case-by-case basis and reimburse the employer even though there was not a successful completion where the employer can demonstrate a hardship.
7. IWTs where another grant or program is available to reimburse the employer for all or most of their reimbursable expenses.
8. Where the IWT would otherwise violate any of the terms and conditions of the policy that follow.



## C. Eligibility of Participating Employers.

### 1. All Employers in General.

The Area shall prefer and promote IWTs in the Area's targeted industries which currently advance manufacturing, health care, and information technology, followed by any other in-demand or critical industry or occupation as defined by the State of Ohio, or the Area/Sub-Area provider. While preferred and in-demand industries are to be preferred, any employer within any industry is eligible to apply for IWT reimbursement.

The Area's application will assess, and the Sub-Area provider's IWT review committee will consider all of the following in deciding whether to award an employer IWT reimbursement.

- a. Characteristics of the trainees, including whether they face systemic or individual barriers to employment.
- b. The extent the training improves the trainee or employer's competitiveness, and/or averts a layoff.
- c. Confirmation that none of the following disqualifying factors are present:
  - 1) The business is not presently debarred, suspended, proposed for disbarment or suspension, and/or declared ineligible or excluded from participation in transactions by the U.S. Department of Labor, and/or the State of Ohio.  
Federal Exclusion and Debarment Site: <http://www.sam.gov>  
Ohio Department of Taxation: <http://www.tax.ohio.gov>  
Business Filing Search: <http://www.sos.state.oh.us>
  - 2) The business does not have any outstanding, unresolved or contested wage and hour, health and safety, employment discrimination charges issued against them by a federal and/or state agency against them within the past twelve (12) months.
  - 3) The business does not have any outstanding tax liability to the state of Ohio or any other State for the past six (6) months.
  - 4) The business does not have any unfair labor practice contempt of court findings entered against it within the past six (6) months.
  - 5) The business does not have any outstanding civil, criminal, and/or administrative fines or penalties owed to or pending to the federal government and/or the state of Ohio.
  - 6) The business has all necessary licenses and/or qualifications required to conduct business within the state of Ohio.
  - 7) The business has not relocated all or part of its operations from another area anywhere within the U.S. or its territories within the last 120 days, leaving any unemployed workers behind who were not given an opportunity to transfer to the new location.

The Sub-Area provider's application review committee will establish as part of the pre-award review all of the following:

- (a) all relevant related business organizations (parent, subsidiaries, etc.) and the names of the same;
  - (b) name, title, and address of company official certifying there has been no related dislocation at a related company within the United States;
  - (c) determination of whether there were or were not any job losses at other locations associated with the positions of those that are sought to being trained at the applied for location.
- 8) The business currently does not have any employees on layoff at its local site of employment or nationwide, and if it does, they either will be recalled before the training occurs, or they are unrelated to the positions that will be trained.
  - 9) The jobs for which the business is seeking to perform training are projected in good faith to be in existence for the next twelve (12) months or more.
  - 10) The employer has not been disqualified by the Sub-Area provider for engaging in a pattern or practice of abusing previous assistance provided and/or failing to retain the employment of those provided with IWT.
- d. Other factors included in the application, including but not limited to:
- 1) Number of employees included in the training.
  - 2) Advancement opportunities.
  - 3) Increased wages.
  - 4) Type of credential and/or skills earned.
  - 5) Whether layoffs are averted, or the training will just make the employer more competitive.
  - 6) Other information sought by the application.

## **2. Governmental Employers.**

All governmental employers other than state government and Area 19 WDB and their sub-recipients and contractors are eligible to apply for and receive IWT reimbursement so long as they meet the criteria for all employees in general, and those that follow.

- a. The elected officials for the governmental entity and the individuals who would be trainees must complete the Relationship Disclosure Form, which is attached to the Area 19 C-05 "Avoiding Conflicts of Interest During the Provision of Services" Policy as Appendix One. If any Area 19 WDB staff or any of the Sub-Area provider staff are administratively overseen by any of those required to complete forms, a potential conflict of interest will be deemed to exist. To

manage this potential conflict of interest, those individuals who would serve on the IWT application review committee but for a potential conflict of interest must be excused. Other Area 19 WDB staff familiar with IWT applications will be asked to fill in and score and review the application where these conflicts of interest exist to ensure that the decision to award or reject the application is fair and objective.

- b. Each Sub-Area IWT provider shall create and actively maintain a spreadsheet that accounts for all of the approved IWT applications. This spreadsheet will account for the total budget available for IWT applications by the program year for which the IWT application is expected to be completed and paid, how much of that total budget is obligated, and how much remains to be obligated. When the available to obligate budget is twenty percent (20%) or less for the program year during which the training will occur, the Sub-Area will cease approving governmental employer IWT applications for that program year.
- c. Special considerations in assessing, reviewing, and approving governmental applications. The following must be adhered to:
  - i. Sustainability. The governmental entity should generally provide for their own training needs. The Sub-Area may deny an application where a single governmental entity has received significant IWT assistance previously within the past two (2) years.
  - ii. In-demand and/or critical jobs. The positions of employment for which the governmental trainees receiving IWT must be listed on the in-demand or critical Ohio Top Jobs list. If they are not, those trainees are not eligible.
  - iii. Shortage of labor. The positions of employment held by the trainees are being trained have low labor supply. If the county's rate of unemployment where the government is located, for the latest month when the application is being reviewed, is a rate at or below 5%, this criteria shall be satisfied. If the county's unemployment rate is above 5%, then labor market information for the region must demonstrate that there is below average labor supply for the specific position(s) to be trained.
  - iv. Evolution of new technology and/or skills needed on the worksite. IWTs are reserved for the purposes of providing new skills relating to some type of technology that wasn't available or some type of skills that weren't needed until recently. If the new technology or newly evolved need for the skill is five (5) years or less old, as measured from the date of the IWT application looking backwards, the governmental employer is eligible.
  - v. Benefit to the community. IWTs are reserved for governmental trainees where the training can be shown to positively improve essential community services. How community services will be improved must be attested to and demonstrated as part of the application process.

### 3. Not-For-Profit Employers.

All not-for-profit employers are eligible to apply for and receive IWT reimbursement so long as they meet the criteria for all employees in general, and those that follow.

- a. Each Sub-Area IWT provider shall create and actively maintain a spreadsheet that accounts for all of the approved IWT applications. This spreadsheet will account for the total budget available for IWT applications by the program year for which the IWT application is expected to be completed and paid, and how much of that total budget is obligated, and how much remains to be obligated. When the available to obligate budget is twenty percent (20%) or less for the program year, the Sub-Area will cease approving not-for-profit employer IWT applications for that program year.
- b. Special considerations in assessing, reviewing, and approving governmental applications. The following must be adhered to:
  - i. Sustainability. Not-for-profit entities should generally provide for their own training needs. The Sub-Area may deny an application where a single governmental entity has received significant IWT assistance previously within the past two (2) years.
  - ii. Shortage of labor. The positions of employment held by the trainees are being trained have low labor supply. If the county's rate of unemployment where the not-for-profit is located, for the latest month when the application is being reviewed, is a rate at or below 5%, this will be satisfied automatically. If the county's unemployment rate is above 5%, then labor market information for the region must show that there is below average labor supply for the specific position(s) being trained.
  - iii. Benefit to the community. IWTs are reserved for not-for-profit trainees where the training can be shown to positively improve essential community services. How community services will be improved must be demonstrated as part of the application process.

### 4. Religious Employers.

- Religious employers are not eligible for IWT where it would be used to train employees who perform any work that relate to the construction, maintenance, or operation of any part of any facility or business relating to religious worship or sectarian instruction.
- The only exception to religious employers receiving IWT reimbursement assistance is where the funding would train employees that work in a facility that is not used for worship or sectarian purposes, and the nature of the work performed by those trainees is the provision of services that relate to removing barriers to employment, and those services are open to everyone within the community regardless of their own personal religion or lack

thereof. For instance, the training of employees employed in a childcare facility operated by the religious entity in a building not used for any worship or sectarian purpose open to anyone within the community would be eligible for IWT training reimbursement.

If a religious employer meets the exception listed above, then they would also need to meet all of the criteria required of employers in general (Section 1 above), and those required of Not-For-Profit Employers, (Section 3 above).

**D. Employee Eligibility.**

Incumbent workers must meet each of the following minimum federal, state, and local requirements to participate in a training that is reimbursable.

1. Employed by the employer doing the training in a manner that meets the definition of an employee as provided for within the Labor Standards Act (FLSA) of an employer-employee relationship.
2. The employee/trainee must have an established employment history with the employer for six (6) months or more. If IWT is being provided to a cohort or group of employees listed/attached to an application, not every employee in the cohort must have an established employment history with the employer for six (6) months or more, so long as the majority of employees have.
3. Except in situations involving Employee Stock Ownership Programs, where all employees have a chance to be partial owners of a business, no one with an ownership interest in a business, nor their immediate family may be an IWT trainee. See definitions of this policy for immediate family.
4. No one who is supervised directly by a member of their immediate family may be an IWT trainee. See definitions of this policy for immediate family.

**E. Training Provider Considerations.**

To be a training provider for IWT in Area 19, the provider must be an independent third-party educator. This means that the educator cannot be an employee, or have any other business relationship to any of the employer's related business organizations. The Area 19 WDB can make an exception to this but will only do so where there are compelling circumstances that exist.

The training provider can provide the instruction in-person, virtually, or via any medium that is acceptable to the employer. Live instruction is preferred. If the instruction is not live, but is a recorded medium, it may qualify if the program is of sufficient quality to justify the same.

In most instances employers will be asked to request a trainer or educational provider. Where that requested trainer or educational provider is considered acceptable, the employer's request will be honored. The Sub-Area IWT provider has the final determination of whether a trainer/educational institution is acceptable or not, and may reject an IWT application or request the selection of a new training provider by the employer. The following criteria may be considered in determining whether a training provider requested is not acceptable:

- satisfactory past performance,
- lack of accreditation where accreditation is available,
- curricula that lead to credentials if credentials for the training are available,
- relevant training experience, accredited instructors,
- job placement rates,
- training completion rates,
- a proposed training environment that supports learning and is within reasonable proximity to the trainees, so the cost and time required for travel is minimized.

The arrangement for the training will be done pursuant to a written, verbal or implied agreement reached between the employer and third-party educational training provider. Only where the IWT is to be provided by a third-party educational provider for an educational program that is on ODJFS' eligible training provider list in the WIET system, may Area 19 contract directly with the provider for the provision of an IWT, and pay the educator directly.

**F. Written Agreement Between Employer and the Sub-Area IWT provider.**

The Area 19 WDB, and/or the Sub-Area provider will almost always not be a party to the agreement between the employer and the training provider. Instead, the Sub-Area provider must have a written agreement with the employer which governs the terms and conditions of reimbursement to the employer for their allowable reimbursable costs, consistent with the terms and conditions of this policy. The Sub-Area provider will use Appendix 3 to this Policy, as the form agreement, which it will modify as appropriate to apply to each particular IWT situation.

There can be no IWT reimbursement without a written agreement that was entered into prior to the start of any training for which IWT reimbursement is sought.

**1. Terms of the Payment/Repayment.**

The employer shall be solely responsible for paying the trainer and/or educational provider pursuant to terms and conditions they reached with the same. The Sub-Area IWT provider shall be responsible for compensating the employer for an agreed upon share of actual expenses, the categories and total amount of which are pre-approved, and which are actually incurred by the employer. Reimbursement shall occur only after the completion of

the training and following the employer submission of at a minimum all of the following:

- a. a copy of the invoice from the educational provider;
- b. a copy of all invoice-related documentation provided to the employer by the educational provider;
- c. a copy of each of the licensures, degrees, educational transcripts, credentials/certificates of training earned by each trainee;
- d. the employer's proof of payment showing the amount it paid the trainer/educational provider;
- e. if the employer paid wages, overnight accommodation, travel expenses, or any other expense that satisfy its non-federal share of the training, then proof that those expenditures being incurred and paid, as proof that the employer has paid a non-federal share for which it has not been reimbursed.

Upon receipt of all of the required documentation provided by the employer, the Sub-Area IWT provider shall reimburse the employer within thirty (30) days.

In all circumstances, the Sub-Area IWT provider's total amount of reimbursement shall be capped at the maximum amount of reimbursement that is allowed by this policy based upon the size of the employer, based upon the final calculations of the employer's actual documented expenditures allowable and unallowable expenditures.

## **2. Terms of the Training Plan.**

Attached to the Agreement must be a training plan in a format mutually agreeable to the employer and the Sub-Area IWT provider. The training plan can be as simple as a spreadsheet generated by the Sub-Area provider. The training plan must include all of the following for each trainee:

- a. The providers of training.
- b. Type of training.
- c. Planned start date and planned end date.
- d. Number of individuals to be trained.
- e. Required trainee information that must be entered into the ARIES system, including each trainee's social security number. Note that if an employer refuses to provide the Social Security numbers for all trainees, the Sub-Area may either:
  - 1) deny the employer's application, or
  - 2) allow the IWT but require the employer as part of their IWT agreement to provide the employment status, hourly wage, and total

wages earned quarterly by all trainees for the 6 quarters after training ended, beginning in the quarter that training ended.

- f. The total estimated cost of training for which reimbursement is allowed broken into the following categories, and the total of the same, labeled as Budget A:
  - 1) cost of tuition;
  - 2) materials and consumables including textbooks, manuals, training software if required as part of the training;
  - 3) all other allowable costs not covered by tuition.
- g. The total estimated employer expenditures for which reimbursement is not allowed broken into two categories, and the total of the same, labeled as Budget B:
  - 1) wages that the employer will pay for employees while receiving instruction;
  - 2) all other expenditures that can be counted towards the employer's non-federal share including but not limited to travel, over-night accommodations, travel reimbursement, etc.
- h. The combined totals of Budget A and Budget B, labeled as Budget C.
- i. Indicate on the training plan the total employee size of the employer identified by the employer in the application.
- j. Either as part of the plan, or as an attachment, an adequate summary of the training to be provided.

**3. Allowable expenditures that may be reimbursed.**

Allowable reimbursable IWT expenditures may include only costs directly related to training. Allowable costs may include:

- a. Cost of tuition if using an educational provider, which includes expense of instructor/trainer.
- b. Instructor/trainer salaries if not otherwise covered by tuition. However, where tuition is charged, there should be no additional expenses in this regard.
- c. Curriculum development, but only where this is a new or novel training and not covered by tuition.
- d. Materials and consumables including textbooks, manuals, training software, but only to the extent they are a required part of the curricula and not covered by tuition. If the materials and consumables are not expressly required to participate in the training, they are not allowable.
- e. Training facility costs, but only to the extent this is not covered by tuition.



- f. Other necessary and reasonable costs directly related to training not on the unallowable expenditure list below.

**4. Unallowable expenditures.**

Unallowable reimbursable costs are all of the following:

- a. Foreign travel.
- b. Purchase or lease of capital equipment.
- c. Expenses related to encouragement or inducement of a business or part of a business to relocate from any location in the United States.
- d. Use of IWT funds to pay for a worker's training wages.
- e. Travel, over-night accommodations, meals during training, etc.

**5. Employer's required contribution of a non-federal share of training costs.**

All employers receiving IWT reimbursement must make a significant non-federal contribution to the expenses associated with each trainee's IWT. An employer's contribution can be made up of one or both of the following types of contributions:

- a. Allowable expenditures paid to the training provider or other allowed training related parties that go unreimbursed.
- b. Unallowable expenditures listed in Section 4 above, subsection d. wages, and e. travel, over-night accommodations, etc.

To determine what an employer's minimum non-federal share contribution must be, the IWT application review committee will review and apply calculations required by this policy to the budgets provided for within the training plan. The calculation required is as follows:

**Step #1:**

Training Plan's Budget A Total (allowable expenditures in dollars).

+

Training Plan's Budget B Total (unallowable wages, travel, accommodations, etc. in dollars.)

=

Total Expenditure, Training Plan's Budget C (in dollars).

**Step #2:**

Training Plan’s Budget C (in dollars).

X

Percentage associated with the Area’s maximum share, as listed in the table below.

=

Area’s maximum federal share allowed (in dollars).

**Step #3:**

Compare the amount calculated in Step #2 to Training Plan Budget A (allowable expenditures in dollars).

If the Step #2 calculated amount is less than the Training Plan Budget A, the amount calculated in Step #2 is the maximum amount of reimbursement allowed to the employer.

If the Step #2 calculated amount is more than the Training Plan Budget A, the amount of the Training Plan Budget A is the maximum amount of reimbursement allowed to the employer.

Under no circumstances may an employer ever receive reimbursement compensation that is more than the total of Training Plan Budget A (allowable expenditures in dollars). If an employer were to receive reimbursement greater than the total of Training Plan Budget A, that would mean the employer is being reimbursed for unallowable wage, travel, meal, and/or over-night accommodation expenditures, etc.

| <u>Employer Size</u>  | <u>Sub-Area’s Max % Share</u> | <u>Employer’s Min % Share</u> |
|-----------------------|-------------------------------|-------------------------------|
| 50 employees or less  | 90%                           | 10%                           |
| 51 to 100 employees   | 75%                           | 25%                           |
| 101 or more employees | 50%                           | 50%                           |

The table above denotes the Sub-Area’s maximum percentage share and the employer’s minimum percentage share of the training. Note that each Sub-Area’s IWT application review committee has the discretion to agree to pay less than its maximum percentage share, and to require an employer to pay more than its minimum percentage share, on a case-by-case basis.

**G. Area Terms and Conditions Regarding Use of WIOA Funds for IWT.**

Each Sub-Area or County’s Adult and Dislocated Worker providers when administering this policy shall not expend more than has been provided for within each of the following budgets:

1. the budget approved by the Area 19 WDB;
2. twenty percent (20%) of the total of the Adult and Dislocated Worker grant allocations available to the sub-area to expend.

## **H. Invoicing and Reimbursement.**

Regardless of the amount that was originally planned for and budgeted as part of an approved IWT application, and training plan, the amount to be reimbursed to an employer cannot occur unless and until all of the necessary documentation has been submitted by the employer. See Section V. (F.) (1.) of this policy.

In addition, the final amount reimbursed to an employer must adhere to the requirements set forth within this Agreement, including the calculations provided for within Section V. (F.) (5.) of this Agreement. While the IWT application and IWT Training Plan try to anticipate what the Sub-Area provider will reimburse an employer and what the employer's non-federal share will be, the actual expenditures as demonstrated by the documentation the employer submits is what determines actual reimbursement.

Therefore, the calculation performed by the IWT application committee, set forth in Section V. (F.) (5.) of this Agreement, must also be performed by the Sub-Area after all expenditure documentation has been submitted by the employer before any reimbursement payment is made to an employer.

## **I. Coordination with Apprenticeships.**

On a case-by-case basis, the Area/Sub-Area may allow the use of an IWT for an individual enrolled in a registered apprenticeship program when there are no other funds available that would provide funding assistance for the apprenticeship. Additional federal funding for registered apprenticeship programs is available through several federal agencies to support business investments in apprentices and to assist educators and intermediaries in strengthening the tie between training and employment through registered apprenticeship. Sub-Areas will check the Department of Labor's Training and Employment Guidance Letter No. 13-16 for websites for several registered apprenticeship funding resources and check those resources before providing for funding for an apprenticeship.

## **VI. Systems Reporting.**

### **A. Fiscal Reporting.**

Any and all funds used to pay for IWT programming will be reported as program costs. The fiscal agent for the Sub-Area and Area must track funds used for IWT by funding stream and by the year of appropriation. These Sub-Area fiscal agents will report incumbent worker expenditures using the incumbent worker code established by the Office of Fiscal and Monitoring Services. Coding exists for both the adult and dislocated worker programs. The accrued expenditures charged to the incumbent worker code for the adult and dislocated worker programs must not exceed twenty percent (20%) of those grants. The Area and ODJFS will monitor costs reported against the incumbent worker training program.

## **B. Program Reporting.**

The Sub-Area provider is required to report IWT activities via the Mini Incumbent Worker registration in the Advancement through Resources, Information and Employment Services system (ARIES). IWT programs will be reported in ARIES with at least the minimal amount of data required. If the Sub-Area wishes to co-enroll an IWT participant in the local adult or dislocated worker program, a full registration is required in ARIES which includes all of the data elements needed for WIOA participants, including performance data. Co-enrolled participants must meet all eligibility requirements for adult, dislocated worker, and youth programs.

## **VIII. Technical Assistance.**

To get questions answered and technical assistance regarding this policy or issues regarding administration of WIOA, you are urged to contact the Executive Director of the Area 19 WDB NOC COG at [craig@noccog-area19.com](mailto:craig@noccog-area19.com).

The question/issue will be researched, analyzed, and a formal written response will be provided. If a second opinion is required, the director is not available, or there is no clear answer to the question/issue, either the Executive Director or any OMJ Center or provider staff may seek additional guidance by submitting the same to the Office of Workforce Development: [WIAQNA@jfs.ohio.gov](mailto:WIAQNA@jfs.ohio.gov); and by copying your request to the Executive Director of the Area 19 WDB NOC COG.

## **IX. Monitoring**

The Area will conduct oversight and monitoring of the implementation of all WIOA programming by all OhioMeansJobs Center Operators, Partners, and/or Providers pursuant to Area Workforce Policy D-03. Any issues discovered will be handled through the area's monitoring resolution process.

## **X. References**

- Workforce Innovation and Opportunity Act, § 134(d)(4), Public Law 113-128.
- NPRM § 680.530 found at 80 Fed. Reg. 20859 (April 16, 2015) (to be codified at 20 C.F.R. § 680.530).
- NPRM § 680.780 found at 80 Fed. Reg. 20861 (April 16, 2015) (to be codified at 20 C.F.R. § 680.780).
- NPRM § 680.790 found at 80 Fed. Reg. 20862 (April 16, 2015) (to be codified at 20 C.F.R. § 680.790).
- NPRM § 680.800 found at 80 Fed. Reg. 20862 (April 16, 2015) (to be codified at 20 C.F.R. § 680.800).

- NPRM § 680.810 found at 80 Fed. Reg. 20862 (April 16, 2015) (to be codified at 20 C.F.R. § 680.810).
  - NPRM § 680.820 found at 80 Fed. Reg. 20862 (April 16, 2015) (to be codified at 20 C.F.R. § 680.820).
  - 2 CFR Part 200, Appendix II
  - O.A.C. 5101:9-4-07, Procurement and contract requirements. (July 6, 2015).
  - O.A.C. 5101:9-4-07.1, Procurement methods. (July 6, 2015).
  - ODJFS, Workforce Innovation and Opportunity Act Policy Letter No. 15-11, Use of ITAs (July 1, 2015).
  - ODJFS, Workforce Innovation and Opportunity Act Policy Letter No. 15-24, Customized Training Guidelines (March 23, 2016).
- Rescission:**
- **Workforce Investment Act Policy Letter No. 09-09.5**, Layoff Aversion Incumbent Worker Training (IWT) with Local Formula Funds under Waiver Authority (May 14, 2014).

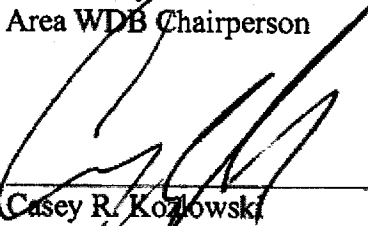
**XI. Signatures.**



Ned Sherry  
Area WDB Chairperson

5/14/2024

Date



Casey R. Kozlowski  
Ashtabula County Commissioner  
Northeast Ohio Consortium Council of Governments,  
Chief Elected Official

5-21-24

Date

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