

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

**POLICY A-11**

**I. Purpose and General Outline.**

This policy provides guidance on the requirements for customized training.

**II. Background.**

Customized training is one type of work-based training model and is designed to meet the specific requirements of an employer or group of employers. WIOA establishes that local workforce development boards (WDB) may offer customized training through an agreement with either a vendor or employer.

**III. Definitions.**

Customized training or (“CT”):

This is training that is:

- Designed to meet the specific requirements of an employer (including a group of employers);
- Is conducted with a commitment by the employer to employ or continue to employ an individual upon successful completion of the training; and
- For which the employer pays a significant portion of the cost of training (per Section 3 (14) of WIOA and the accompanying regulations in 20 CFR 680.760). This is determined by the Area/Sub-Area by taking into account the factors it determines to be appropriate. These factors can and shall include:
  1. The size of the employer.
  2. The number of employees participating in training.
  3. Age and benefit levels of those employees (at present and anticipated upon completion of the training).
  4. Relation of the training to the competitiveness of a participant.
  5. Other employer-provided training and advancement opportunities.

**IV. Application Process.**

All employers seeking customized training assistance must submit a completed copy of the Area 19’s application for employer training assistance. See the attached, which is to be used by employers who are seeking IWT, OJT, or CT assistance. Each application will experience a pre-award review which will be conducted by a committee of the following individuals with the Sub-Area where the employer’s business is located:

- If available, a representative from the entity providing Business Resource Network County Account Executive Services. If not, a Board Member or the Executive Director of the Area WDB.
- The Director of the CDJFS of the Sub-Area where the employer is located or his/her proxy.
- A representative of the sub-area's adult and dislocated worker provider.

The findings of the pre-award review process will be reduced to writing through the production and completion of a checklist or other written report. The Area Workforce has 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 may cease taking applications when its budgeted resources for training have been exhausted.

Training will be considered only if the application and training plan is submitted sufficiently prior to the training start date to allow time for application review process. Any costs incurred, or monies expended by the employer or consortium applicant on the project prior to the final approval of the training provider, the budget, and the execution of the written Agreement, will be done at the employer's own expense. The employer's decision to go forward does not obligate the Area and/or the Sub-Area's adult and dislocated worker provider to offer assistance before all required approvals are obtained. Training expenses shall be reimbursed only if the Sub-Area's adult and dislocated worker provider has first:

- approved the training application,
- procured a training provider if required, and
- provided and entered into a written agreement.

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

### **A. Purposes of Customized Training.**

Customized training may be provided for:

1. the introduction of new technologies,
2. new production or service procedures,
3. upgrading existing skills, or
4. other appropriate purposes.

As with all training services, the customized training must enable individuals to obtain industry or employer-recognized skills.

### **B. Educational Provider/Trainer Considerations.**

Customized training may be provided through one of the two following methods:

1. individual training accounts (ITAs), or
2. through a contract for services that is procured.

If the training is provided through an ITA, all requirements associated with the provision of an ITA must be followed, including the use of approved eligible training providers. **See Area Policy A- \_\_\_\_.**

If the training does not involve the use of ITAs with approved eligible training providers, a separate written contract must be entered into, after the Area/Sub-Area has first engaged in required federal, state, and local procurement procedures, relating to the securing of the educational provider/trainer.

While employers may suggest a trainer or educational institution, the Workforce Area and/or the Sub-Area's adult and dislocated worker provider must approve the trainer/educational institution to be used. In determining whether a trainer/educational institution is acceptable or not, the following criteria will be considered:

- satisfactory past performance,
- accreditation,
- curricula that lead to credentials,
- relevant training experience, accredited instructors,
- proven high job placement rates,
- proven high 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.

### **C. Employer Eligibility.**

Customized training is training designed to meet the needs of a specific employer, or a group or consortium of employers. When working with a group of employers (employer consortiums), the Area and/or Sub-Area may decide with whom to contract and the details set forth therein. If the consortium is a legal entity and the participating employers are in agreement on their match requirements, the Area and/or Sub-Area may contract with the consortium directly and accordingly, the match requirement would be paid by the consortium. It is also allowable to enter into individual contracts with each participating employer. Regardless of what entity the contract is with, all requirements, expected outcomes, and assurances described in this policy must be met.

For an employer to be eligible it must establish that it meets both the following eligibility criteria.

1. Federal and State Requirements. The following is the minimum eligibility criteria that must be demonstrated to satisfy federal and state eligibility requirements.
  - a) Must not be presently debarred, suspended, proposed for disbarment, and declared ineligible or voluntarily excluded from participation in transactions by USDOL or the state of Ohio.
    - (1) Federal Exclusion and Debarment Site: <http://www.sam.gov>
    - (2) Ohio Department of Taxation: <http://www.tax.ohio.gov>

(3) Business Filing Search: <http://www.sos.state.oh.us>

- b) Shall not have any outstanding tax liability to the state of Ohio for over six months and will disclose any known outstanding tax liabilities with other states prior to entering into contract.
- c) Must not be identified as having more than (1) unfair labor practice contempt of court finding on the most recent list established by the Ohio Secretary of State.
- d) Must have all the approvals, licenses, or other qualifications needed to conduct business in the state of Ohio and all must be current. Training under the customized training program will cease if the business is disqualified from conducting business in Ohio during the course of the training.
- e) Shall not be a governmental entity, including all local, county and state entities.
- f) Must not have employees in a lay-off status at the time of training, unless the training requested can be demonstrated to avert additional layoffs.
- g) Must not have been in operation in the state of Ohio for less than 120 days if the business had laid off workers at a former location in the United States. To verify that a business is not relocating employment from another area, a pre-award review must include the names under which the establishment conducts business, including predecessors and successors in interest; the name, title, and address of the company official certifying the information, and whether WIOA assistance is being sought in connection with past or impending job losses at other facilities of their company. The pre-award review should also include a review of whether appropriate notices have been filed, as required by the Worker Adjustment Retraining Notification (WARN) Act. The review may also include consultations with labor organizations and others in the affected local area(s).
- h) Must not have any outstanding civil, criminal or administrative fines or penalties owed to or pending in the state of Ohio.
- i) Must meet all other qualifications set forth within the Area 19's application for employer training assistance.

2. Area 19 Additional Requirements. In considering whether to approve or reject an application for customized training assistance, the Area and Sub-Area will consider the following:

- a) The employer's meeting/interview with the sub-area's Business Resource Network County Account Manager prior to or as part of the consideration of the application. An interview done within twelve (12) months prior to the submission of the application will qualify.
- b) Will the training of employees result in the expansion of the employer's workforce, and if so compared to how many trained?
- c) The wages of those who are trained prior to training, and within thirty (30) days following training.

- d) How the training will improve the occupational skills of the employers' workforce and lead to enhanced career pathways for individual employees?
- e) A demonstration that the training involves an in-demand industry and/or occupation.
- f) The provision of a detailed training plan that identifies the following:
  - (1) The provider(s) of training;
  - (2) Type of training;
  - (3) Planned start and end dates;
  - (4) Number of individuals to be trained;
  - (5) The pre and post training wages of individuals to be trained;
  - (6) The projected cost of training; and
  - (7) Any other information required by the Sub-Area's adult and dislocated worker provider.

**D. Employee Eligibility.**

Customized training can be offered to newly hired workers or incumbent workers. The employer must employ the worker(s) at some point during the training, and the Area/Sub-Area will only pay for part of any training, once the individuals have been hired.

- 1. New workers must meet each of the following minimum federal, state, and local requirements.
  - a) Must be an enrolled WIOA Adult or Dislocated Worker.
  - b) The employee meets the Fair Labor Standards Act requirements/definition for an employer-employee relationship.
  - c) Completed selective service registration (for males 18 and over born after January 1, 1960).
  - d) Individual has citizenship status.
  - e) Individual is age 18 or older.
- 2. The incumbent worker must meet each of the following minimum federal, state, and local requirements.
  - a) Employed by the employer doing the training for six months or more.
  - b) The employee meets the Fair Labor Standards Act requirements/definition for an employer-employee relationship.
  - c) Completed selective service registration (for males 18 and over born after January 1, 1960).
  - d) Individual has citizenship status.
  - e) Individual is age 18 or older.

**E. Allowable and Unallowable Costs Associated with Customized Training.**

- 1. Allowable costs may include only costs directly related to training. Allowable costs may include:
  - a) Cost of tuition if using an educational provider.

- b) Instructor/trainer salaries if not otherwise covered by tuition.
  - c) Curriculum development.
  - d) Materials and consumables including textbooks, instructional equipment, manuals, materials and supplies.
2. Unallowable costs cannot be paid for by the Area/Sub-Area. To the extent that unallowable costs are purchased they cannot count towards and employer's share, with the exception of trainee wages, and therefore cannot be used to calculate what the Area and/or Sub-Area should pay, and the employer should pay. Unallowable costs include:
- a) Trainees' benefits/fringes.
  - b) Wages of trainees while attending customized training. This is an unallowable cost for the Workforce Area/Sub-Area to pay, but payment by the employer of trainee's wages can count toward the employer's contribution as an in-kind contribution, if agreed to in advance by the Area and/or Sub-Area within the written agreement. **See the following Section V. F. of this policy.**
  - c) Costs that are not directly related to customized training for eligible individuals under Title I.
  - d) Foreign travel; and/or
  - e) Purchase of capital equipment.

#### **F. Employer's Share of Training Costs.**

Employers participating in Customized Training must ultimately pay for a to-be-determined share of the cost of the training. As part of the application process, the Sub-Area adult and dislocated worker contract provider shall establish what the employer or consortium's share of allowable costs shall be. An employer's share shall adhere to the following schedule, with the range of the employer's share based upon the number of employees that they employ, with the final employer percentage share determined by the following factors:

- number of employees participating in the training,
- wage and benefit levels of the employees before and after the training,
- the relationship of the training to the competitiveness of the employer and employees,
- the availability of other employer-provided training and advancement opportunities,
- and remaining budgeted funds for the Sub-Area.

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

The Area and/or Sub-Area in entering into the Agreement may agree to accept as all or part of the employer's contribution, their payment to the educational provider or reimbursement to the Area and/or Sub-Area, or the in-kind payment of the wages of trainees during the time that they are actually receiving



training/instruction from the educational provider(s), instructor(s), or trainer(s). The wages of trainees while they are performing work, as opposed to training, in a supervised or un-supervised setting, do not count. In-kind contributions can only involve trainees who are newly hired eligible adults and dislocated workers, after they have been hired. Wages paid to incumbent workers can never qualify as an in-kind payment. At the conclusion of the training, the total of any trainee wages provided must meet or exceed the employer's agreed upon percentage share of the total agreed upon allowable costs incurred as part of the training.

**G. The Sub-Area's Contract and Budget Requirements.**

**1. Requirement of a Written Agreement.**

If an employer's application for the provision of assistance in providing Incumbent Worker Training is initially approved, the Sub-Area and Area's review team will contact the employer to negotiate the remaining terms and conditions associated with the provision of assistance. The parties to the Agreement will be at a minimum, the Sub-Area and Area, and the employer. The training provider will be included as a party to the Agreement where applicable. If the training provider is not included as a party to the Agreement, the employer must have entered into a written agreement with the Provider. The Area/Sub-Area are not committed to the provision of reimbursement for training until they enter into a written agreement regarding the same.

The written agreement shall include:

- a) The occupation for which training will be provided; the skills and competencies to be achieved and the length of time for the training;
- b) The industry- or employer-recognized credential that will be attained upon completion of the training;
- c) The number of employees to be trained;
- d) The employer's assurance that customized training is needed, based upon the individual skill sets of trainees;
- e) The method and maximum amount of reimbursement (employer match);
- f) Job description(s) of the trainees and a training outline;
- g) The cost and documented description of any ancillary items or supportive services that may be needed;
- h) Other appropriate training outcomes related to the training (i.e. increases in earnings);
- i) Appropriate assurances and certifications;
- k) Written endorsement from a union official is required when the workplace is covered by a collective bargaining agreement;
- l) Timing and method of payments; and
- m) The following three commitments:
  - (1) That successful completion of the customized training will result in portable skills, and retention and placement of the

trainee into permanent employment that offers good pay and benefits, with opportunities for career advancement.

- (2) That continued training will be provided for trainees who need help with remedial skills or other skills in order to retain their jobs; after completion of customized training.
- (3) That training will be aligned with industry or employer recognized skill standards.

2. Budget and Terms of the Payment/Repayment.

The written agreement between the parties shall include a detailed budget setting forth all of the agreed upon allowable expenditures, and for each line item of the budget, the following:

- a) The description of each line item.
- b) The total estimated or budgeted amount of each line item.
- c) Whether the costs associated with the line item shall be initially borne by the employer or by the Area or Sub-Area.
- d) The estimated percentage break-out of how much the Sub-Area is to be responsible for, and how much the employer or consortium of employers is to be responsible for.

At the conclusion of each customized training, a reconciliation shall occur by the fiscal agent for the Area and/or Sub-Area. The reconciliation shall determine the total costs of all allowable and unallowable expenses of the training and based upon the agreed upon budgets and percentage of which each party agreed to pay, which party is entitled to compensation, and in what amount.

The supporting documentation for this reconciliation shall be as follows:

- a copy of all invoices;
- a copy of all supporting documentation;
- a copy of each of the certificates of training earned by each participant; and
- any proof of payment showing amounts paid by the respective parties.

In all circumstances, the Area and Sub-Area's total amount of reimbursement shall be capped at whatever maximum amount it agreed upon within the written agreement, and/or its total maximum agreed upon share of total allowable expenses as provided for applying the Area/Sub-Area's percentage share of expenses, to the total amount of allowable expenses, the categories of which the Area/Sub-Area agreed to pay. When those two amounts are different, the Area/Sub-Area shall pay the lesser of those two amounts.



## **VI. Systems Reporting.**

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

Any and all funds used to fund CT programming will be reported as program costs. The fiscal agent for the Sub-Area and Area must track funds used for CT training by funding stream and by the year of appropriation. These fiscal agents will report incumbent worker expenditures a CT code, if any, established by the Office of Fiscal and Monitoring Services. Coding exists for both the adult and dislocated worker programs. The Area and ODJFS will monitor costs reported against CT program. Fiscal reporting for CT that involves incumbent workers shall be handled pursuant to the Area's IWT Policy, Policy A- \_\_\_\_.

### **B. Program Reporting.**

The Sub-Area provider will report CT activities in the Ohio Workforce Case Management System (OWCMS) as required. All CT activities that include adult and/or dislocated worker eligible participants require a full registration in OWCMS which includes all of the data elements needed for WIOA participants, including performance data. Program reporting for CT that involves incumbent workers shall be handled pursuant to the Area's IWT Policy, Policy A- \_\_\_\_.

## **VII. 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 [craigsernik@neohio.twcbc.com](mailto:craigsernik@neohio.twcbc.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.

## **VIII. 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.

**IX. References.**

Workforce Innovation and Opportunity Act, §§ 3(14), 106, 134(c)(3)(D), Public Law 113-128.

NPRM § 680.760 found at 80 Fed. Reg. 20861 (April 16, 2015) (to be codified at 20 C.F.R. § 680.760).

NPRM § 680.770 found at 80 Fed. Reg. 20861 (April 16, 2015) (to be codified at 20 C.F.R. § 680.770).

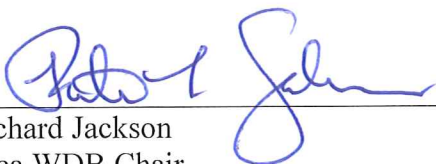
2 CFR Part 200, Appendix II.

O.A.C. 4141-3-05, Definition of employment, January 1, 2001.

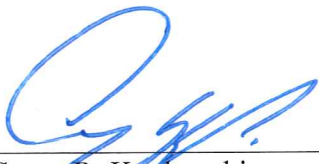
**Rescission**

ODJFS, [Workforce Investment Act Policy Letter No. 09-07.4](#), Customized Training and Guidelines for the Employer Match Requirement, (March 6, 2014).

**X. Signatures.**

  
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Richard Jackson  
Area WDB Chair

Date 9/5/18

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

Date 9-5-18

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Subsequent Revisions: