

## **Central/Western Maine Workforce Investment Board**

### **Policy & Procedures Governing the Use of Customized Training**

#### **General Information:**

The following policies and procedures will govern the application of Customized Training options with employers, WIA Title I eligible customers and incumbent workers. They are based on guidance from the Maine Department of Labor/Bureau of Employment Services (DOL/BES) and the Workforce Investment Act (WIA sec 101 (8)) and WIA 20 CFR Part 652, Subpart G, 663.700 to 663.715. They are also based on WIA section 101(8) and the accompanying regulations in 20 CFR subpart g663.715, 663.720, and 663.730 establish that local WIBS and the state may offer customized training through an agreement with either a vendor or employer with a mandatory employer match requirement of 50% of the cost of training. In July, 2012, Maine received approval from the United States Department of Labor (USDOL) to replace the statutory employer match requirement of 50% for customized training, to a minimum of 10% with the variance based upon State and local policy.

Customized Training activities support the development of the comprehensive workforce investment system under WIA and Maine's workforce development vision, by providing additional training options for both employer and employee customers. Customized Training is a means to work with employers to directly address skills shortages in the employers' workplaces.

#### **Definition:**

Customized training is training designed to meet the needs of a specific employer, or group of employers (employer consortiums). It can be provided for the introduction of new technologies, or to new production or service procedures, upgrading existing skills, workplace literacy, or other appropriate purposes identified by the local WIB. The employer must commit to employ, or continue to employ, the worker(s) upon successful completion of any form of customized training.

Customized training is one of several types of allowable training identified in Section 134(d)(4) of WIA. This training may be offered to individuals under local area formula-funded programs or as a type of incumbent worker training, conducted at the local level under waiver authority.

#### **Employee Guidelines:**

Customized Training may be provided to both WIA-eligible unemployed workers, employed workers, and incumbent workers. Employed workers may include full-time, part-time, and/or workers placed through private placement agencies. If workers are part-time, they must be offered full-time employment upon completion of training.

WIA-eligible unemployed and employed workers are enrolled in customized training as appropriate based on their individual employment plans. These participants must meet all eligibility requirements, and receive both a core and an intensive service prior to the start of customized training.

When serving incumbent workers through programs operated under waiver authority, local Area III will adhere to the same regulatory eligibility requirements as regular formula-funded program participant services.

Unless the trainee is unemployed, in order to participate in customized training, an "employer-employee" relationship must exist between the trainee and the business that is seeking local WIB approval to perform customized training. Individual workers who are independent contractors are not eligible to participate in customized training. Independent contractors fall under the category of self-employment.

Customized training of an eligible unemployed, employed, or incumbent worker may be provided when the employee is not meeting the self-sufficiency guidelines as determined by LWIB policy. Self-sufficiency for an unemployed (dislocated) or employed (low income) worker will be based on the average earnings set by MDOL's performance goals for WIA. Upon completion of any customized training, wages must meet the LWIB self-sufficiency guidelines, or be equal to those provided to regular employees who have worked a similar length of time and are doing the same type of work.

Every effort will be made to secure the highest wage possible.

**Training Guidelines:**

Training can be provided for the introduction of new technologies, or for new production or service procedures, upgrading existing skills, workplace literacy, or other appropriate purposes identified by the local WIB.

All customized training must be within the LWIB approved clusters, or a waiver must be submitted by employer or employer group explaining why requested training would be appropriate. All waivers must be approved by the Executive Director of the LWIB.

Training must enable trainees to obtain industry or employer-recognized credentials/certificates identified by the employer (or group of employers)

Training must be for occupations in industries that have documented skill shortages where developing the skills of the workforce will lead to enhanced career pathways for individual employees. High wages, high costs for recruitment, and/or positions that remain unfilled for long periods of time may indicate a shortage of skills within the workforce.

Training providers must have satisfactory past performance, accreditation, curricula that lead to credentials, relevant training experience and programs, accredited instructors, high job placement rates, and/or high training completion rates. Training providers should also meet acceptable minimum retention rates for trainees in their field or occupation of training.

The training facility must provide an environment that supports learning and be within reasonable proximity to the participant. The training may take place in the business owned facility, a training provider's facility, or combination of sites.

Training provided through the use of customized training does not require ITAs (Individual Training Accounts).

Training providers for customized training either need to be included in the WIA Eligible Provider List (ETP) published online in the Maine CareerCenter Consumer Report System (MCCRS), or must be competitively procured.

**Employer Guidelines:**

Employer (s) must agree that successful completion of the customized training will result in portable skills, and retention and placement of the trainee into permanent employment that offers competitive pay and company benefits and any other fringe benefits offered to all company employees, with opportunities for career advancement; and, 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; and, that training will be aligned with industry or employer recognized skill standards, as defined by the WIB and/or the employer (s).

Employer(s) must agree to release employed/incumbent workers to participate in training and to meet core and intensive requirements and pay them their wages.

Businesses should be current on their local, state and federal tax obligations and compliant with all environmental requirements.

Businesses that provide additional sources of funding to support the training will be given strong consideration.

Businesses that have employees in a lay-off status will not be considered for customized training unless the training would avert additional layoffs.

Businesses that have relocated to Maine and laid-off workers at their original location in the United States will not be considered for customized training, until they have been in operation at the new location for 120 days. To verify that a business is not relocating employment from another area, a pre-award review must be undertaken and documented by the local WIB. The 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 WIA assistance is being sought in connection with past or impending job losses at other facilities of their company.

Contracts may not be written with employers who have previously exhibited a pattern of failing to provide Customized Training customers with continued long-term employment with wages, 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.

**Employer Payments:**

The LWIB will implement the waiver of a reduction of the 50% match. Employers will pay a range of 10% to 50% of the cost of the customized training depending on the size of the business\*. The LWIB will negotiate with the employer the amount of customized training activities costs the employer will be responsible for beyond the percent range.

Funds provided to employers for Customized Training must not be used to directly assist, promote, or deter union organizing.

\* The proposed employer match sliding scale will range from 10% to 50% based on the following employer size:

- Match up to 90% for employers with 50 or fewer employees; and
- Match up to 75% for employers with 51-200 employees; and
- Match up to 50% for employers with 200 or more employees.

**Contracts:**

The Workforce Investment Board will consider approval of contracts which specify: the employer's assurance that customized training is needed based upon the individual skill sets of trainees, cost, industry type, demand occupation, the occupation(s) of trainees, the number of employees to be trained, job description(s) of the trainees and a training outline, the skills and competencies to be learned, the length of time the training will be provided, the cost and documented description of any ancillary items or supportive services that may be needed, and other appropriate training outcomes related to the training including increases in earnings, career advancement, portable skills, and retention. The agreement must also specify what the employer will pay for, the employer match portion for the cost of the training, and according to what payment percent and method.

Allowable costs may include only costs directly related to training. Allowable costs include, but are not limited to the following: instructor's / trainer's training-related wages, curriculum development, textbooks, instructional equipment, manuals, materials and supplies.

Unallowable costs include but are not limited to: trainees' benefits/fringes; wages of trainees while attending customized training, costs that are not directly related to customized training for eligible individuals under Title I, foreign travel, and/or purchase of capital equipment.

Customized training agreements are to contain appropriate assurances and certifications as specified in this issuance.

Written endorsement from a union official is required when the workplace is covered by a collective bargaining agreement.

When working with a group of employers (employer consortiums), the local WIB 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 local WIB 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 issuance must be met.

All contracts must have employee outcomes that meet the WIA common measures.

The LWIB will allow service providers to change WIA enrollment numbers as necessary to accommodate the number of customized training contracts that are written.

Priority will be given first to employers or group of employers who are located within the Central /Western

Maine LWIB geographic area and second, to employers or group of employers who are located outside of the Central/Western Maine LWIB geographic area but employ workers from the local area.

Employers or group of employers who are located outside of the Central/Western Maine LWIB geographic area and who do not employ workers from the area will not be considered.

Customized Training contracts will be limited to the period of time required for a customer to become proficient in the occupation for which the training is being provided based on information from the employer, the Specific Vocational Preparation (SVP) information found on O\*Net on the Snapshot screen for each occupation (as well as skill requirements of the occupation), the academic and occupational skill level of the customer (s), prior work experience, and the customer (s) individual employment plan (s). In no case will a customized training contract exceed 1040 hours.

Customized Training jobsites will be monitored periodically to assure validity and propriety of amounts claimed for reimbursement.

### **Labor Standards:**

Training provided must be in accordance with WIA sec. 667-270 for non-displacement assurances, WIA sec. 667-272 for wage and labor standards, WIA sec. 667-274 (A) and (b) (1) for health and safety standards, and WIA sec. 667.275 for nondiscrimination and equal opportunity assurances.

Customers must receive the same benefits and have the same working conditions as similarly employed workers.

### **Customer Flow Process for Customized Training:**

#### Employer

1. Identify a skill shortage and type of training needed.
2. Identify possible trainees from among incumbent workers.
3. Discuss training needs with CareerCenter Staff.
4. Discuss Customized Training and other training options with CareerCenter staff and proceed as indicated.
5. Provide a tour or job shadowing experience for potential trainees.
6. Commit to provide or facilitate the training and retain the trainees upon training completion.
7. Notify CareerCenter Staff at completion of the training
8. Agree to participate in follow-up activities to determine employment retention and wages six months after employment and/or at other designated intervals.

#### Participant

1. Complete WIA registration and provide eligibility verification documents.
2. Register for Core and Intensive Services.
3. If previous services have not resulted in employment, discuss training strategy, employment interest, and assessment test scores (if available) with case manager/counselor.
4. Establish an employment goal (independently or with staff assistance) based on # 3 and on labor market review to determine potential employers.
5. If the occupation is unfamiliar, request that the case manager/counselor arrange a tour or a job shadowing experience with an appropriate employer.
6. Work with the case manager/counselor to determine appropriate training strategies and develop an individual employment plan.
7. Commit to complete the training and retain employment upon completion.
8. Notify the case manager/counselor upon completion of the training. Agree to participate in follow-up activities to determine employment retention and wages six months after employment and at other designated intervals.

#### Direct Inquiries:

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