

**INSTRUCTION LETTER 06-02 INCUMBENT WORKER TRAINING FUNDS POLICY**

**TO:** Trident Workforce Investment Area Contractors and Staff

**ISSUANCE DATE:** February 1, 2007

**EFFECTIVE DATE:** Immediately

**SUPERSEDES:** N/A

**SUBJECT:** Pre-Award Criteria- Business Relocation/Expansion (120 Day Rule)

**PURPOSE:** To transmit state policy on IWT funds

**BACKGROUND:** See attached Instruction Letter

**POLICY:** The purpose of IWT and the business eligibility requirements have been revised to allow training assistance to new and/or expanding businesses.

**PROCEDURES:**

See attached Policy Framework in the attached instruction letter. SC Works Trident Staff, Partners and Contractor shall comply with the attached Instruction Letter.



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Ronald Mitchum, Executive Director  
BCDCOG

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June 27, 2012

Date



Mark Sanford  
Governor

SOUTH CAROLINA  
DEPARTMENT OF COMMERCE

Joe E. Taylor, Jr.  
Secretary

**STATE WIA INSTRUCTION NUMBER:** 06-02

**TO:** Local Workforce Investment Areas (LWIAs)

**SUBJECT:** Incumbent Worker Training Funds Policy

**ISSUANCE DATE:** February 1, 2007

**EFFECTIVE DATE:** Immediately

**PURPOSE:** This instruction revises Incumbent Worker Training (IWT) policy. IWT funds are intended to provide resources for employers to train currently employed workers in an effort to keep businesses and workers competitive. On January 18, 2007, the State Workforce Investment Board approved changes in the policy framework relevant to business eligibility for IWT funds.

Please be advised that the IWT workgroup will be meeting in the future and further revisions may be made to the IWT program.

**POLICY:** The purpose of IWT and the business eligibility requirements have been revised to allow training assistance to new and/or expanding businesses. The attached Policy Framework reflects the revisions approved by the State Workforce Investment Board.

**INQUIRY:** Questions may be directed to Ms. Pat Sherlock at 803-737-2601 or [psherlock@scommerce.com](mailto:psherlock@scommerce.com).

Margaret Torrey  
Deputy Secretary for Workforce Development

Attachment

**State of South Carolina  
Incumbent Worker Training  
Under the Workforce Investment Act**

**Purpose**

To provide resources for employers to train currently employed workers in an effort to keep businesses and workers competitive. Incumbent Worker Training (IWT) provides funding for training needed in current businesses due to expansion, new technology, retooling, new product lines and new organizational structuring. IWT may also fund for training in new businesses if those jobs are ineligible for assistance through the Center for Accelerated Technology Training. However, there will be a waiting period of 120 days for new or expanding businesses that displaced workers elsewhere in the United States.

**Eligibility for Incumbent Worker Training Funds**

**Businesses that:**

- Have at least one-full time employee
- Are current on all state tax obligations

**Third party brokers (including business associations, industry councils, chambers of commerce, downtown development corporations, etc.) who:**

- Enter into IWT agreements on behalf of employers
- Are not involved in the training of employees.

*City, county and state governments are ineligible to apply for Incumbent Worker Training Funds.*

**Funding Priority**

- Businesses whose training applications indicate a significant upgrade in employee skills and/or employee wage increases as a result of training
- Businesses whose training applications reflect a significant layoff avoidance strategy and retention opportunities
- Businesses/Business sites who have not received an IWT award during the prior or current program year
- *Local WIB priorities*

**Employee Eligibility**

- Any worker employed by the eligible business

**Employee Data Collection**

- Information about employees participating in this federally-funded training will be collected in a data base used to measure the impact of the training
- Only aggregate data will be used

### Reimbursable Training Expenses

- Instructor/trainer salaries
- Curriculum development
- Textbooks/manuals
- Materials/supplies

### Non-Reimbursable Costs

- Trainee/employee wages or travel
- Training equipment
- Capital improvements
- Purchase of any item or service that possibly may be used outside of the training project
- Costs incurred prior to the approval date of the application
- Administrative costs allocated to third-party brokers

### Training Services

The types of training which may be funded through IWT include, but are not limited to:

- Industry or company specific skills
- Technical and computer skills
- Basic academic skills
- Soft skills such as leadership, teamwork, and management skills

Training may be provided through:

- Technical colleges
- School Districts
- Area vocational-technical centers
- State colleges and universities
- Licensed and certified private entities/institutions
- The business/company itself, through in-house training provider

Training may be conducted at:

- The training provider's facility
- The business's own facility
- A combination of sites

### Application and Approval Process

- The IWT Program Application is completed and submitted to regional workforce development administrator
- Applications should be submitted at least 30 days prior to the desired start of training
- Upon approval of an application, a grant agreement is written between the business/third party broker and the local workforce investment board

## **Grant Awards**

- **Employers must provide a matching contribution to the training project that shall not be less than:**
  - (1) 10% of the costs for businesses with 50 or fewer employees**
  - (2) 15% of the costs for businesses with more than 50 employees, but fewer than 100 employees**
  - (3) 25% of the costs for businesses with 100 or more employees**
- **Business/third party broker must sign an agreement to complete the training project as proposed**
- **Business/third party broker must keep accurate records of the project's implementation process**
- **Business/third party broker must submit reimbursement requests with required documentation**

## **Project Completion**

- **Training projects are performance based with specific measurable outcomes, including the completion of the training and job retention**
- **Business/third party broker will provide sufficient documentation for identification of all employee trainees for calculation of performance measures and outcomes deemed pertinent to the local workforce system**
- **Last payment will be withheld until final report is submitted and all performance criteria specified in the grant agreement have been achieved to include:**
  - (1) Submission of required documentation**
  - (2) Employer matching contribution requirement**