

TRIDENT

STATE INSTRUCTION LETTER 10-01; USE OF IWT AS A LAYOFF AVERSION STRATEGY

TO: Trident Workforce Investment Area Contractors and Staff

ISSUANCE DATE: March 25, 2011

EFFECTIVE DATE: Immediately

SUBJECT: Use of Incumbent Worker Training as a layoff Aversion Strategy

PURPOSE: To provide guidance in adhering to State instruction letter 10-01

BACKGROUND: The core mission of employment and training programs, particularly the Workforce investment Act (WIA) program, is to provide unemployed jobseekers with the training and employment services needed in order to obtain good jobs. While services to employed workers are authorized in limited situations, the WIA program is primarily intended to serve the unemployed. However, in recognition of the many benefits that accrue to workers, employers, taxpayers, and communities when layoffs are averted, USDOL has increased state and local flexibility in using WIA funds to address training needs of employed workers as a layoff aversion tool.

POLICY: The following definition and criteria are intended to guide the workforce system in the use of WIA funds when providing IWT as a layoff aversion strategy.

Layoff aversion: USDOL considers a layoff averted when 1) a worker's job is saved with an existing employer that is at risk of downsizing or closing; or 2) a worker at risk of dislocation transitions to a different job with the same employer or a new job with a different employer and experiences no or a minimal period of unemployment.

PROCEDURES: The use of additional IWT resources restricted to layoff aversion requires criteria to determine if there is a layoff risk, and when and whether IWT is an appropriate response. Consideration must be given as to whether



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June 26, 2012
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STATE WIA INSTRUCTION NUMBER: 10-01

TO: Local Workforce Investment Area Administrators

SUBJECT: Use of Incumbent Worker Training as a Layoff Aversion Strategy

ISSUANCE DATE: March 25, 2011

EFFECTIVE DATE: Immediately

Purpose: This State Instruction provides guidance on the use of Incumbent Worker Training (IWT) as a layoff aversion strategy.

References: Workforce Investment Act of 1998 (WIA), as amended (29 U.S.C. 2801 et seq.); WIA Regulations, 20 CFR parts 652 and 660-671; Training and Employment Guidance Letter No. 26-09, "Workforce Investment Act (WIA) Waiver Policy and Waiver Decisions for PY 2009 and 2010"; and Training and Employment Guidance Letter No. 30-09, "Layoff Aversion Definition and the Appropriate Use of Workforce Investment Act Funds for Incumbent Worker Training for Layoff Aversion Using a Waiver."

Background: The core mission of employment and training programs, particularly the Workforce Investment Act (WIA) program, is to provide unemployed jobseekers with the training and employment services needed in order to obtain good jobs. While services to employed workers are authorized in limited situations, the WIA program is primarily intended to serve the unemployed. However, in recognition of the many benefits that accrue to workers, employers, taxpayers, and communities when layoffs are averted, USDOL has increased state and local flexibility in using WIA funds to address training needs of employed workers as a layoff aversion tool.

Over the last several years, the State and Local Workforce Investment Areas (LWIAs) have successfully operated an Incumbent Worker Training (IWT) model that has assisted businesses and workers in remaining productive and competitive. WIA funds have been used to train employed workers due to business expansion, new technology, retooling, new services/product lines, new organizational structuring, or as part of a layoff aversion strategy. Recent waivers approved by USDOL, have increased the WIA resources available to support layoff aversion efforts through IWT. Each source of funds, and its requirements, is discussed below.

State Reserve Funds: Annual funds distributed for IWT through grants to each LWIA

- Training not required to be part of a layoff aversion strategy, but must align with established state and local funding priorities
- Unexpended IWT funds are recaptured and may be “earmarked” for layoff aversion situations once deobligated by the State

Rapid Response Funds: USDOL approved waiver authorizes use of up to 20% of state set-aside rapid response funds for IWT

- Training must be part of a layoff aversion strategy
- Training is restricted to skill attainment activities
- State required to report performance outcomes in the federal WIASRD for any incumbent worker served (i.e. required VOS tracking and reporting of each individual served)

Local Funds: USDOL approved waiver authorizes use of up to 10% of local dislocated worker funds for IWT

- Training must be part of a layoff aversion strategy
- Training is restricted to skill attainment activities
- State required to report performance outcomes in the federal WIASRD for any incumbent worker served (i.e. required VOS tracking and reporting of each individual served)

Policy: The following definition and criteria are intended to guide the workforce system in the use of WIA funds when providing IWT as a layoff aversion strategy.

Layoff aversion: USDOL considers a layoff averted when: 1) a worker’s job is saved with an existing employer that is at risk of downsizing or closing; or 2) a worker at risk of dislocation transitions to a different job with the same employer or a new job with a different employer and experiences no or a minimal period of unemployment.

The use of additional IWT resources restricted to layoff aversion requires criteria to determine a layoff risk, and when and whether IWT is an appropriate response. Consideration must be given as to whether, absent the training, a good job will be lost or degraded, and whether with the training the job will be retained or improved.

Employer Assessment

- The company remains open, but it is phasing out a function which will lead to layoffs unless the workers can be retrained to perform new functions.
- A worker’s job has changing skill requirements as a result of external economic or market forces, significant changes in technology or operating processes, rapidly changing industry or occupational job requirements, or emergence of new products.
- The changing skill requirements are outside of normal skill growth and upkeep that would be provided by the employer.

- Training programs reasonably prepare workers to address skill gaps.
- The employer demonstrates a commitment to retain employees or otherwise provide a tangible benefit to employees who receive IWT.

Worker Group Assessment

- Unless provided with training, the potentially laid-off workers do not have marketable, in-demand skills.
- The new skills can be attained in a reasonable period of time.
- The workers have not received formal layoff notices. Such workers can be served with regular WIA Dislocated Worker funds.
- There exists a strong possibility of jobs, either with the existing employer or a new employer, if the potentially laid-off workers attain new skills.

IWT provided with rapid response funds, local dislocated worker funds, or state reserve funds "earmarked" for layoff aversion situations will adhere to the following requirements. These requirements do not apply to state reserve funds regularly granted to LWIAs each year.

- 1) A no-cost, competitiveness review of the business will be conducted by the South Carolina Manufacturing Extension Partnership (SCMEP) prior to entering into an IWT agreement. Such review will:
 - reveal/confirm limiting factors holding the business back;
 - provide a snapshot of how the business is performing in comparison to other companies; and,
 - provide a roadmap to improve competitiveness, performance and the bottom line.

The results of the review must reveal that layoffs would be imminent without intervention. The roadmap for improvement must confirm a need for employee training and identify the specific training needs in order to utilize funds for IWT.

NOTE: A substantially similar review recently conducted of the business, by a third party, may be used in lieu of a review conducted by SCMEP.

- 2) Training providers are to be chosen at the discretion of the company. Training services can be provided through technical colleges, school districts, adult education or licensed and certified private entities and institutions.
- 3) When using rapid response funds or "earmarked" state reserve funds, the IWT agreement may be executed by either the State or the local area as grantor.
- 4) Proposed IWT agreements with business must be reviewed and approved by the State prior to execution to ensure that the layoff risk and the benefit of training have been appropriately determined.
- 5) Training must be completed within 12 months.
- 6) No business matching contribution will be required.
- 7) IWT funds will be used only to address the training needs identified in the SCMEP, or other third party, review.

State WIA Instruction Number: 10-01


March 25, 2011

Page Four

- 8) All IWT delivered is restricted to skill attainment activities.
 - The training must result in skills that directly benefit the workers receiving the training by making them more qualified in their field of employment and/or providing new skills for new product lines or processes.
 - The skills attained through training should contribute to the maintenance of employment or increase in employment security for workers as described below.
- 9) Training should:
 - help to qualify participants for a job with changing skill requirements or for higher paying jobs with their existing employer or other companies in the area;
 - enable participants to perform work that is at a higher level than their current positions; and,
 - offer certification or other industry-recognized credentials.
- 10) The attached form, along with documentation of a detailed business review, will be used in ensuring that layoff aversion IWT requests adhere to the above criteria.

Action: You are responsible for the distribution and implementation of this policy guidance within your local workforce system.

Inquiries: Should you have questions regarding this State Instruction, please contact Michelle Paczynski at 803-737-3828 or mpaczynski@dew.sc.gov.


Margaret Torrey
Deputy Executive Director
Employment and Training

Attachment

Incumbent Worker Training
When Using Funds Restricted to Layoff Aversion

Company: _____

Address: _____

General Company Information (e.g., type of manufacturing performed, products produced, etc.):

Employer Assessment

1. Do business circumstances point to probable layoffs? (e.g., company phasing out a function)
Yes No Explain below:

2. Are the workers' jobs threatened by changing skill requirements? Yes No Explain below:

3. Are the changing skill requirements outside of normal skill growth and upkeep that would be provided by the employer? Yes No Explain below:

4. Does the employer demonstrate a commitment to retain employees who receive training?
Yes No Explain below:

Worker Group Assessment

1. Would training reasonably prepare threatened workers to address skill gaps?
Yes No Explain below:

2. Can the threatened workers attain the required skills in a reasonable period of time (i.e., no longer than 12 months)? Yes No Explain below:

3. Have the workers received formal layoff notices? (If yes, serve these workers with regular WIA Dislocated Worker funds.) Yes No Explain below:

4. Is there a strong possibility of jobs, either with the existing employer or a new employer, if the workers attain new skills? Yes No Explain below:

Training Assessment

1. Does the training proposed match the training needs identified in the SCMEP or other third party business review? Yes No Explain below:

2. Is the training proposed restricted to skill attainment activities? Yes No Explain below:

3. Will the training result in making workers more qualified in their field of employment? Yes No Explain below:

4. Does the training offer certification or other industry-recognized credentials? Yes No Explain below:

Local and/or State Review

Based on information regarding the business, worker group(s) and training proposed, this IWT application appears to meet the requirements for using WIA funds restricted to layoff aversion.

Yes No

Comments: _____

Completed by: _____

Title: _____

Date: _____

SCMEP Competitiveness Review (or similar review of business) completed: [Click here to enter a date.](#)
Business review attached:

State Authorization

Based on the above information and the business review conducted with the company, it has been determined that the company is at risk of laying off workers and that IWT is an appropriate response. Further, the requirements for using WIA funds restricted to layoff aversion have been met.

Yes No

Comments: _____

Signature: _____

Title: _____

Date: [Click here to enter a date.](#)

**SC Works Online Services (SCWOS) Instructions for
Locally-funded and Rapid Response-funded Incumbent Worker
Training (IWT) Agreements and Participants**
Updated June 2012

IWT Agreements must be tracked in SCWOS both as a participant service and as an employer service for WIA federal reporting.

The current document provides:

Section I: SCWOS Tracking of IWT services in the Employer Account

Section II: SCWOS set-up of IWT employer as Local Training Provider

Section III: SCWOS Tracking of IWT services in Participant Account

I. SCWOS Tracking of IWT services in the employer account.

IWT services will be tracked in the employer account in SCWOS by following the steps below:

- **Check to see if the employer/third-party broker already has a SCWOS Account.**
 - Click on Manage Employers.
 - Click on Assist an Employer and search for the employer by name.
 - If an account exists, review the account to ensure that the information is correct. Add any additional worksites/contacts as needed.
 - If no employer account exists, create an employer account.
- **To create an Employer Account:**
 - Click on Manage Employers.
 - Click on Create an Employer Account.
 - Complete all required fields for the general corporate section.
 - Save your entry.
 - Add additional worksites/contacts if needed.
- **Click on Case Management Profile.**
 - Click on Activities.
 - Click on Service Plan.
 - Click on Add Service.
 - For Service Type, select “**E20, Rapid Response IWT Agreement**” or “**E10, Local DW IWT Agreement**”. Complete required fields.
 - Put the start date of agreement in the Scheduled Date field.
 - Leave the Actual End Date blank.
 - For Contact Method, select Written Correspondence.
 - Enter the Agreement Number and projected end date in the Comments box.
- **Case notes may also be added to the Employer Account.**

II. SCWOS set-up of IWT employer as Local Training Provider.

IWT employers must be set up as Local Training Providers and each training course must be listed as described below:

- **To check for new IWT employer/third-party broker:**
 - Click on Manage Providers.
 - Search for employer name.
- **If the employer is not on the your local area provider list, complete the following steps:**
 - Click on Manage Providers – Create a Provider.
 - Enter the required information in the **General Tab**, following the special instructions below:
 - Vendor ID: Enter the **Federal Employer Identification Number (FEIN)**.
 - Provider Name: Enter the **Employer/Third-Party Broker Name**.
 - Address: Enter the **Employer Address**.
 - FEID: Enter the **Federal Employer Identification Number (FEIN)**.
 - Provider Type: Check **PS-Training Non-ITA only**.
 - Complete other required fields and **Save**.
 - **Go to Provider Type Details**, under **Program Services** check PS-CRS and PS-Training Non-ITA.
 - Click Save
 - **Enter CRS Provider Information:**
 - **Institution Area**
 - **Institution Type**
 - **Institution Ownership**
 - **Institution Description**
 - **Pell Grant Eligible**.
 - **Click Save**
 - Go to the **Locations Tab**, and enter the required information for any additional locations for this employer covered by the local IWT agreement.
 - Go to the **Contact Info Tab**, and enter a contact for each additional location.
 - Go to the **Self Service Education Programs Tab**, and enter information as followed:
 - **Service Type Information-Select PS CRS and PS-Training Non-ITA and you will see the associated service codes.**
 - **General Information:**
 - **Program/Service Details:** Enter the name of the service name.
 - **Service Description:** Enter the description of the service
 - **Customer Group:** Check **WIA- Dislocated Worker**.
 - **Green Job Training:** If this job involves training for a green job, make the appropriate selection.
 - Enter other applicable information, and save.

- Program/Service Cost Details
 - **Add Line Items: Add Cost Items** (you can add or modify cost details that is associated with the service program)
 - **Program/Service Approval Duplicate/Update**
 - **Once all information has been entered, select approve for duplication to Program Services. All information that was entered into the Self Service Education will populate in the Program Services Tab.**
- **If the employer (or third-party broker) is on the Provider List, complete the following steps:**
 - If the employer is inactive, activate the employer.
 - If the appropriate location(s) has/have already been created and is (are) active, leave the status active.
 - If your location has not been created, create your location as described above.
 - Also enter or edit the **Contact Information Tab** as needed.
 - Check the **Program /Services Tab**. Add new courses and or update Program/ Service Locations for courses that are already listed.

When the term of your IWT agreement has expired, complete the following steps:

- **Go to Manage Employers:**
 - Find the IWT providing employer.
 - Click on Case Management Profile.
 - Click on Activities.
 - Click on Service Plan.
 - Open the IWT Agreement and enter the Actual End Date of the Agreement and the Service Status. Add any appropriate comments.
- **Go to Manage Providers:**
 - Search for and select the provider.
 - Go to the Provider Program/ Service and change the Provider Program/ Service Locations to “Not Offered” **AND**
 - Go to the General Tab and change the status to “inactive”.

III. SCWOS Tracking of IWT services in participant account.

All IWT participants must be entered into SCWOS because they will count in Local and State performance measures (for Employment Retention and Average Earnings) and will be included in Data Validation. Please follow the special SCWOS data entry requirements specified below:

- A spreadsheet containing the items below should be completed on IWT participants by the business prior to the beginning of the training. Such spreadsheet should be delivered by the IWT coordinator to the local office with the complete IWT agreement package once it is finalized and signed by the LWIA signatory.

Once the information from the spreadsheet is entered in SCWOS by the IWT coordinator, all the Social Security Numbers must be redacted from the spreadsheet.

Participant's Name	Participant SSN
Date of Birth	Disability
Gender	Race
Ethnicity	Veteran
Campaign Vet	Recently Separated Vet
Disabled Vet	Limited English Proficiency
Highest Grade Completed	Current Hourly Wage
Training Course Name	ONET Code (if applicable) for Training
Actual Training Start Date	Projected Training End Date

- Another spreadsheet signed by the Employer Representative will be provided within 10 days of the training Actual End Date and will contain the following information for each participant:

Participant's Name
 Date of Birth
 Actual Training End Date
 Training Completion Status
 Type of Certificate Received

The header of the employer spreadsheets will contain information identifying the Agreement Number, Training Course Name, etc.

SCWOS Entry Requirements for IWT Participants:

Start by searching for IWT participant in SCWOS by their social security number and full name. If the participant is already in SCWOS apply the following instructions ONLY to the missing SCWOS screens.

- For all SCWOS screens listed below please enter information as provided on the employer spreadsheet. If the information is not available on the employer spreadsheet, then enter "No". On all screens that ask for Office or Location, select "IWT LWIA Name".
 - Complete Individual Membership
 - Enter "IWT" for the street address. Enter a city, state and zip.
 - Enter "000-000-0000" for the phone number.
 - Complete WIA Youth or Adult/DW Core and Intensive/Training Application

- Because the IWT contract is funded by Dislocated Worker funds, the steps below will ensure that the WIA application results in DW eligibility.
 - Use staff as alternate contact.
 - The Application Date and Eligibility Date will match the Actual Start Date of the training.
 - Select **IWT LWIA Name** for Office of Responsibility.
 - Select **Yes** for Selective Service for those males born after 12/31/59.
 - Select **Citizen** for Citizenship and **Other, employer record** as verification source.
 - Employment status will be **Employed**.
 - Family Size will be **1**.
 - Family Income will be **9999999.99**.
 - Set Self-sufficiency for dislocated workers to **Eligibility Override**.
 - For dislocated worker eligibility, set eligibility to **Eligibility Override**.
 - Set “Have you received a termination or layoff notice from your last job or, if still employed, current job? Dislocated Worker program only.” to **No**.
 - Do not enter any information on the Dislocation Employer.
 - Do not enter a Dislocation Wage.
 - In Comments, enter “**Eligible for Rapid Response-funded IWT Program only**” or “**Eligible for Local IWT DW Program only**”.
 - **Do not assign the participant to a case manager.**
- Participation Record
 - Participation Date must be the Actual Start Date of the Training.
 - Employment Status must be **Employed**.
 - Activity Record
 - Customer Group: Select **Dislocated Worker**.
 - Activity Code: Select **325, Locally-funded IWT** or **355, Rapid Response-funded IWT**
 - Provider: Select the **Employer Name**.
 - Course: Select the appropriate **Training Course**.
 - ONET Code: Enter an ONET Code for occupational skill training as appropriate. Do not enter an ONET code for soft skills, basic skills or English as a Second Language.
 - Credential: Select **Yes** only when the credential earned meets the definition of Certificate found in TEGl 17-05.
- Since the IWT Agreement is between the local area and the employer, the IWT participants will not be required to sign any WIA forms and individual participant hard copy case files will not be maintained. The employer spreadsheets (signed by the employer) will be used for monitoring.
 - SCWOS will automatically exit these participants after 90 days with no service. Therefore, no Outcome Record will be keyed into SCWOS.

Follow-up records will not be entered into SCWOS for the locally-funded IWT participants. Data for employment, retention and wages after exit will be obtained from wage records only.