



INCUMBENT  
WORKER  
TRAINING GRANT  
POLICY/GUIDELINES

REVISED MAY 2009

# River Valley Workforce Investment Board Incumbent Worker Training (IWT) Grant

## Purpose

The IWT Grant for Training Incumbent Workers program is authorized through the Federal Workforce Investment Act (WIA) and the American Reinvestment and Recovery Act of 2008. This initiative is jointly administered by the River Valley Workforce Investment Board (RVWIB) and the Kane County Department of Employment & Education (KCDEE) to assist businesses in Kane, Kendall and DeKalb Counties to maintain and improve economic competitiveness by providing high-skill training for their existing workforce. The purpose of the program is to provide grants to eligible employers to assist with certain expenses associated with skills upgrade training for full-time permanent employees. The LWIA #5 IWT Grant for Training Incumbent Workers will be implemented in compliance with the Department of Commerce and Economic Opportunity (DCEO) WIA Policy Letter No. 07-PL-33, Change 1, and any subsequent changes to this policy as issued by DCEO.

## Funding

Pursuant to limits set within WIA Policy No. 07-PL-33, Change 1, as amended, and upon receipt of annual Program Year allocations or any new fund sources such as the Recovery Act, the River Valley WIB will determine the availability and amount of funds to be diverted from one or more funding streams for the implementation of incumbent worker training projects during the program year.

## Targeted Industries

Employers in the targeted industries are the primary customer for the program. The RVWIB has identified the following industries to solicit and target for participation in the Program. These industries have been identified in the LWIA #5 five-year plan as industries with critical skills shortages and opportunities for employment growth.

**Healthcare**

**Transportation, Warehousing and Logistics**

**Manufacturing**

**Hospitality and Retail industries**

**Information Technology**

**Finance and Insurance**

**Agri-Business**

**Green Industries and Occupations**

No training funds will be awarded to employers that do not fit the targeted industries. Priority will be given to employers that agree to fill vacancies with WIA-eligible candidates where an incumbent worker has been upgraded to a new position as a result of this incumbent worker grant program or fill new positions created as a result of incumbent worker training.

Training funds can not be used to duplicate other training resources available to or currently being provided to employers and their workers. Training funds can be used if it has been established that the employer does not qualify for other training resources and/or the training resources requested are in an area not previously funded through alternative resources.

Training projects agreed to be funded may only begin **after** the training project has been approved **and** a service agreement has been executed between the RVWIB and the employer. The employer must complete the training within the timeframe of the agreement in order to be reimbursed for incurred training expenses.

## What is an Incumbent Worker?

An incumbent worker is:

- a) An individual (or group of individuals) with an employment relationship with a participating employer or group of participating employers in a targeted industry (as cited in the local plan); and
- b) An individual who is receiving upgraded skills training:
  - to increase his or her skills in an occupation in which the individual is already an incumbent; or

- to prepare the worker for entry into a new occupation within the targeted workforce (i.e., the workforce of the participating employer or group of employers).

Further information can be found in WIA Policy Letter No. 07-PL-33, Change 1.

### **What is a Participating Employer?**

The primary customers for incumbent worker training services are the participating employers or group of employers, as cited in "a" above and may be locally defined. Such employers must be actively participating in a WIA-funded incumbent worker training program and, such employers must be industry focused. For example, a group of employers may be associated due to supply relationships, such as an original equipment manufacturer (OEM) and the firms in the OEM's supply chain, or a group of employers may be associated through an industry-related organization. (Further discussion can be found in WIA Policy No. 07-PL-33, Change 1.)

All training of incumbent workers must be provided to the specific workforce of a single employer or an association of employers in one of the targeted industries. Incumbent worker training projects may be undertaken to benefit a single employer and the employer's workforce, or a group of related employers and workers from the associated firms.

If an employer has recently relocated and the relocation resulted in any employee losing his or her job at the original location, the 120-day rule set forth in PY'00 WIA Policy Letter 00-14, must be observed. In such cases, incumbent worker training services may not be provided until the company has operated at the new location for 120 days.

### **Eligible Training**

Training that upgrades skills directly linked to specific jobs as well as skill training leading to specific job advancement are eligible under this grant funding. Proposed training that is only loosely related, or is unrelated to specific jobs is not appropriate for this grant source. Examples of training that are not directly job-linked include, but are not limited to: stand-alone adult basic education (ABE); stand-alone English as a Second Language (ESL); team building training; motivational training; basic computer literacy skills; and training/continuing education required by federal, state or industry guidelines, i.e., OSHA, FDA requirements, industries that are licensed by a government entity, such as insurance adjustors, real estate agents/brokers, etc. Please note that ABE and ESL training that is fully integrated with specific job-linked skill training may be allowable.

Training must be designed to meet the requirements of the business or a group of businesses and is to be conducted with an employer commitment to continue to employ all trained individuals. Training should be closely linked to high growth jobs in one of the identified targeted industries, and career/job advancement is desired. High growth jobs are defined as jobs with a growing demand in the local workforce area and/or region as well as opportunities for enhancement of skills in an occupation or to retain employment. The Grant focuses resources on strengthening the profitability and competitiveness of business and increasing worker skills that lead to wage gains and job security.

### **Program Outcomes**

The employer applying for grant funds must identify outcomes to be achieved by the incumbent worker training to be funded. At least one noted outcome should be the benefit to the employer, and one noted outcome should be how the incumbent worker is to benefit. An explanation should be provided as to how each outcome is important to the business and its employees and how the proposed training project will produce the outcomes stated in the application. A description of how the outcome will be measured and verified is also needed. Employers failing to address and report the results of the proposed employer and employee related short-term outcomes may jeopardize reimbursement for incurred training expenses as well as eligibility for future funding.

### **Program Guidelines**

Submission of applications for the IWT Grant Program is open to for-profit companies located in Kane, Kendall and DeKalb counties that are engaged in one of the targeted industries listed above.

**Business Applying for Funding:**

- Must be a for-profit business or public entity from one of the targeted industries outlined above that meets the definition of Employer as specified in DCEO WIA Policy 07-PL-33, Change 1.
- Must be in operation in Illinois for a minimum of one year prior to application date to be eligible for grant funding.
- Must have at least one full time permanent employee (as defined by the company), other than the business owner.
- Must demonstrate financial viability and must be current on all local, state and federal tax obligations.
- Must design training to meet the requirements of the business and is conducted with employer commitment to continue to employ all trained individuals.
- Must closely link the training to specific jobs, as well as career/job advancement. Proposed training that is loosely or unrelated to specific jobs will not be funded.

**Priority Will Be Given To:**

- Small to Mid-sized businesses in targeted industries for training.
- Businesses capable of backfilling vacancies created by incumbents trained and promoted to new or upgraded position.
- Businesses whose grant proposals represent a significant upgrade in employee skills.
- Businesses whose grant proposals represent a strategy designed to prevent dislocation of the business or employees.
- Businesses that have never received a training award from the State of Illinois or under any local program.

**Not Eligible to For Funding:**

- A business currently receiving training funds from the Employer Training Investment Program (ETIP) or other state resource that duplicates the request for training funds through the River Valley WIB IWT Grant program.
- A business or business division, whose dislocation to Illinois has resulted in any employee losing his /her job at the original location. Such employer cannot be considered for WIA funds for 120 days after the relocation to Illinois, as per WIA Regulations.

**Training Services:**

- Can be provided through Illinois public or private educational institutions, in-state or out-of-state private training organizations, professional trainers hired by the business, in-house trainers, or a combination of training providers.
- Can be conducted at the business facility, at the training provider facility, or at a combination of sites.
- In order to promote a healthy and vibrant economy, every effort should be made to procure a training provider within the State of Illinois.
- Information must be provided from the employer on the training providers considered, and cost and price analysis conducted in selecting their training provider.

**Allowable Training Expenses (with proper documentation):**

Costs that are reasonable and necessary for the conduct of the training are allowable. Listed below are costs that may be reimbursed through the grant or used as the matching contribution. These costs may also be applied to the forty percent (40%) training expenditure requirement per WIA Policy Letter No. 07-PL-40 Training Expenditure Requirement.

- a. Training development;
- b. Instructor wages;
- c. Tuition;
- d. Training materials and supplies;
- e. Fees required to complete the training;
- f. Travel for trainers and trainees beyond normal commute;
- g. Training facility costs (off-site);
- h. Training facility costs (on-site);
- i. Cost for use of firm's equipment during training;
- j. Wages of trainees while in training (**matching costs only**);
- k. Fringe benefits of trainees while in training (**matching costs only**); or
- l. Fees for technical or professional certifications.

*Please Note: Trainee wages and fringe benefits while in training may be used to meet the employer's match requirement, but are not reimbursable costs to the WIA grant.*

**Grant Fund Requirements**

- Businesses approved for funds enter into a service agreement with River Valley Workforce Investment Board, which commits the business to complete the training project as proposed in their application, and within the timeframe of the service agreement. Funding is on a cost-reimbursement basis.
- Training **cannot** begin prior to approval date and execution of the service agreement.
- Approved budget items are reimbursed upon presentation of adequate documentation of the training and evidence that the training expense incurred has been paid, and outcomes have been achieved and verified.
- Businesses must demonstrate and/or provide a matching contribution to the training project. The amount of the match required is based on size of the company and is in the amount equivalent to the relative percentage below of the total of the grant request.

Number of Employees	Company Match %	Grant %
50 or fewer full-time employees	10%	90%
51-99 full-time employees	25%	75%
100+ full-time employees	50%	50%

- Businesses will keep accurate records for a period of three (3) years of the project's implementation process and certify that all information provided for the purpose of requesting reimbursements and reporting training activity is accurate and true. Businesses are required to submit specific information for employees participating in training activities which includes, but is not limited to, trainees names, social security numbers, training start dates, training related occupational title, successfully completed training, wages prior to training, wages after training completion, etc.

**Project Completion**

- All approved projects will be reimbursed upon successful completion of the approved training, and attainment of related outcomes. The cost reimbursement request forms should be submitted within 30 days of training completion or attainment of outcome, whichever is the latter.
- Should a trainee fail to successfully complete the training program for any reason, his or her costs will not be reimbursed.
- Upon completion of the final training activity, the company representative must notify the River Valley Workforce Investment Board that the training activities have been completed.
- All training must be completed within the timeframe of the service agreement.
- The company representative must advise the RVWIB of any changes that may occur during the implementation of the approved project, and the need for project modification will be reviewed and acted upon. Failure to notify the WIB of changes may result in default of the service agreement, which could result in withholding reimbursement of costs.
- Contractors who do not meet all stated outcomes may not qualify for future Incumbent Worker Training grants.

## **Application Submission**

Businesses are encouraged to contact any of the Business Solutions Representatives in the IllinoisworkNet Centers or the River Valley Workforce Investment Board (RVWIB) staff prior to completing the application for incumbent worker training services. This contact gives the company, Business Solutions Representatives and/or the RVWIB staff the opportunity to review the IWT Grant Program guidelines, highlight restrictions, discuss priority of training as it relates to the needs of the company, assist with completion of the application for training and explain the contracting process and the training reimbursement process. Business Solutions Representatives and the River Valley WIB staff will be the primary contacts for the IWT Grant for Training Incumbent Workers Program with business and industry, assisting them with the identification of specific training needs and training solutions for their workforce. These representatives are well-versed in locally available training programs as well as other training resources and providers available to employers, and can help identify the most appropriate source of training for the company.

Contact information as well as the Application and related forms can be found on line at [www.rivervalleywib.org](http://www.rivervalleywib.org).

**Completed IWT Grant Program applications will be submitted to:**

River Valley Workforce Investment Board  
One Smoketree Office Complex, Unit A  
North Aurora IL 60542  
Phone: 630 859-9923; Fax: 630-859-9928

Completed applications will be reviewed and evaluated using established criteria. The evaluation will include the following criteria: Target Industry, Quality of the Training, Benefits to Employer, Benefits to Workers, Appropriateness of Costs, Matching Costs, and any Secondary Benefits. Final approval of all recommended training projects will be made by the River Valley WIB Executive Director.

- Training projects are funded on a first come/first serve basis as funding is available.
- The maximum funding award for training projects is \$15,000 for any one business during a 12-month period of time.
- The maximum funding award for training projects is \$50,000 for employer consortiums. A special competitive solicitation for training services must be constructed and initiated prior to final project award.
- The company must provide evidence of matching contributions for the funds requested. Match requirements for employer consortiums will be adjusted proportionately for the relative employee shares identified by each company – see Grant Fund Requirements section.

## **River Valley Workforce Investment Board**

Sharon Walker, Administrative Assistant  
River Valley Workforce Investment Board  
Phone: 630-859-9923  
[walkerssharon@rivervalleywib.org](mailto:walkerssharon@rivervalleywib.org)