



EAST TENNESSEE LOCAL WORKFORCE  
DEVELOPMENT AREA  
WORKFORCE INNOVATION AND  
OPPORTUNITY ACT  
**POLICY MANUAL**

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Effective: Immediately

**SUBJECT: WORK-BASED LEARNING**

APPROVED:

*Martha Axford*

**Purpose:** To establish policy and guidance for the offering of work-based learning activities with WIOA funding.

**Policy:** The East Tennessee Local Workforce Development Board offers various opportunities for Work-Based Learning, including On- the-Job Training, Work Experience, Transitional Jobs, Apprenticeships, and Incumbent Worker Training.

Appropriate support services, as described in the Supportive Services policy, may be used in combination with work-based training as prescribed below and in accordance with the needs of participants. The Board strives to utilize approximately 10% of funding allocated to local area through formula program funds and / or specialized funding such as Consolidated Business Grants (CBGs) to provide work-based learning opportunities. Work-based training expenditures are tracked accordingly in the accounting system of record and reported monthly on internal documents as well required State reports. Expenditures and obligations are monitored monthly to ensure compliance with appropriate expenditure and obligation requirements, such as 80% of CBG funds being allocated within the first 180 days of the grant.

In order to maximize services to populations with barriers, agencies serving these populations are targeted for outreach efforts such as distribution of marketing materials, participation in events, and invitations to participate in AJC events and strategy meetings. The AJC displays marketing materials for core and community partners, and provides materials to be displayed at the partners' sites. Social media accounts are also used to connect with customers and other agencies and inform them of the services available through the AJC. The Business Services Team conducts rapid response meetings in order to serve workers dislocated through closures or layoffs. Outreach to unemployment claimants regarding AJC services is also conducted when contact information is available. Specialized programs such as RESEA, serving unemployment claimants, and SNAP Employment & Training, serving SNAP (i.e. food stamp recipients) are also incorporated into services at the AJC.

The Regional Planning Council, which includes members of the core partners as well as other partners, identifies regional and local in-demand and emerging sectors using available labor market data, strategy meetings, and other data gathering methods. Workforce efforts, including Work-Based Learning, are then focused on identified sectors through services available in the AJC. For instance, manufacturing and healthcare are two of the most prominent sectors in the area, therefore On-the-Job Training (OJT) and Incumbent Worker Training (IWT) grants are heavily concentrated in these areas. The Board strives to continually increase employer penetrations rates and will serve as many employers as possible based on employer hiring needs and availability of funding.

### Contracts and Agreements

Work-based opportunities will include an agreement (contract) with the employer and a training plan for the employee. The contract must include the requirements of WIOA rules and regulations,

the type of occupation and skills, the competencies to be learned, and the length of training that will be provided. All contracts/agreements for work-based learning will be in an approved format in accordance with Board guidance and include the following:

- Basic Program description
- Cost Per Participant (varies by activity; subject to East TN Workforce Board policy)
- Appropriate goals for the participant and/or employer.
- The contract awarded will be cost reimbursement. No expenses are reimbursable until a contract has been fully executed (signed by all parties) and, all participant data have been submitted and deemed eligible.

Additionally, work-based learning activities will comply with the following:

- All necessary information about a work-based participant and employer must be properly recorded in the Jobs4TN (VOS) system. Work-based training expenses must be reported by Service Providers on a timely basis to ensure that Board staff can properly report the expenditures in the Grants4TN system.
- Contracts for Work-based training must be monitored at least once by the Service Provider as the contracting authority. Monitoring will be based on the contract agreement and may be performed by the contract manager or another position. If the Work-based training is for reimbursement of wages, the employer must submit the following for review:
  - Invoice form;
  - Payroll records showing the gross wages paid to the trainee;
  - Time records showing actual hours worked;

Onsite monitoring visits should be conducted by the Service Provider shortly after the trainee begins work, and include additional visits at appropriate intervals (determined by the length of the training plan). Effective monitoring also includes desk review of correspondence from the employer, including payment invoices and required documentation to support those invoices. The Service Provider must regularly review each trainee's progress in meeting program and service strategy objectives. Such strategies should include the trainee's acquisition of basic/occupational skills and the adequacy of supportive services provided as related to work-based training. Any deviation from the work-based training contract should be dealt with and documented promptly.

Monitoring at the Board, State, and Federal levels will include, at minimum, a review of the Service Provider's monitoring and oversight of participant training and corresponding employer payroll records, as well as a review of how work-based activities align with and are facilitating the progress of career pathway strategies outlined in the local plan.

## Business Eligibility Criteria

Businesses classified as a Tennessee (TEGL 25-15) for-profit business or, not-for-profit business with a presence in accordance with Federal, State and Local law, and in business for at least 120 days are eligible for work-based learning contracts. Further, the employer must meet the following requirements:

- Be registered with Internal Revenue Service (IRS), have an account with Unemployment Insurance, and carry workers' compensation insurance (Federal Register Vol. 81, No. 161, Page 56117) and be current on all local, state and federal tax obligations.
- Be financially solvent and have an adequate payroll recordkeeping system that tracks hours worked, gross pay, deductions, and net pay.
- Must not appear on any federal suspension or debarment list.
- Agreements that WIOA customers will not displace any currently employed worker (WIOA Section 181[b][2][A]).

- Agreements will not be made with an employer who has terminated any regular employee, or otherwise reduced the workforce, in order to hire an OJT employee.
- No contract may be written with a company that has relocated (for the first 120 days after beginning operations) if the move has resulted in any employee job losses at the original location (WIOA Section 181[d][2]).
- To verify that the relocation has not resulted in a loss of employment, WIOA program staff and the OJT employer must complete a Standardized Pre-Award Review.
- The employer must not currently be involved in a labor dispute or have workers currently in a layoff status. (20 CFR 680.840)
- Employees may not work on construction, maintenance, or operation of any facility that is used for sectarian activities. (WIOA Section 188[a][3])
- The prospective employers must not meet the existing “pattern of failing to provide OJT participants with continued long-term employment as regular employees with wages and employment benefits”. (20 CFR 680.700[b])
- The Employer must not illegally discriminate in training or hiring practices because of race, color, sex, national origin, religion, disability, political beliefs or affiliation, or age
- Training for employees must be in a high demand industry as determined by the East Tennessee Local Workforce Development Board and/or its’ Service Provider
- Training will benefit employees by increasing opportunity for learning new skills, gaining experience, retention, advancement, credentials, or wages.
- Training will benefit the employer by providing assistance with training employees, which may result in saving jobs or preventing layoffs, enhancing process improvement, or improving the overall competitiveness of the employer.

## General Participant Eligibility

Work-based training opportunities must be identified as an appropriate activity for program participants on the Individual Employment Plan (IEP) or Individual Service Strategy (ISS). IEPs or ISSs, and/or case notes, will specify goals of the work-based training activity by identifying the purpose of the activity and expected outcomes. The ETLWDA *Priority of Service Policy* will be adhered to in determining participants’ eligible to participate in work-based training. In addition, the participant must be:

- A U.S. citizen or individual legally entitled to work in the U.S.
- Age 18 or older\* (exception may be made for Eligible WIOA Youth)
- Registered for the Selective Service unless an exception is justified (Selective Service requires registration of all males who are 18 or older and born on or after January 1, 1960)

## Incumbent Worker Training

According to the WIOA, “the local board may reserve and use not more than 20 percent of the funds allocated to the local area involved under section 133(b) to pay for the Federal share of the cost of providing training through a training program for incumbent workers.” The term “incumbent worker training” (IWT) means training that is

1. Designed to meet the specific requirements of an employer (including a group of employers); and
2. Conducted with a commitment by the employer to continue to employ an individual upon successful completion of training.

IWT may be used to help avert potential layoffs or to increase the skill levels of employees so they can be promoted within the company and create backfill opportunities for the employers. Under WIOA Section 134(d)(4)(A)(i), a LWDB may use up to twenty percent (20%) of its adult and dislocated worker formula funds to provide for the Federal share of the cost of providing incumbent worker training. To be eligible, a participant must be employed by the employer receiving the grant. The Employer is required to match requested training costs. Percentage of

match is based on the size of the company, in accordance with Tennessee Department of Labor and Workforce Development policy.

## On-the-Job Training

On-the-job Training (OJT) is a form of work-based training provided to an eligible WIOA participant upon entry into employment and while engaged in paid work. OJTs address specific gaps in the trainee's knowledge or skills that are inhibiting his/her ability to perform assigned duties fully and adequately and provides reimbursement to the employer of up to 50 percent of the wage rate of the participant for the extraordinary costs of providing the training and additional supervision related to the training. In order to participate in OJT, a participant must be a new hire in the employer position.

The Employer will be reimbursed up to 50% of participant wages upon completion of a designated training period not to exceed the Specific Vocational Preparation (SVP) level, taking in to account the prior education, training, work experience and the service strategy of the participant, as appropriate. Further, the Employer must not have exhibited a "pattern of failing to provide OJT participants with continued long-term employment as regular employees with wages and employment benefits."

In order to promote and strategize the availability of OJTs, understanding and meeting the needs of employers is given the utmost importance and is achieved through a collaboration of partners serving on the Business Services Team, such as Labor Exchange, Veterans Programs, Trade Act, Re-Employment Services, Unemployment Insurance, Economic Development, Temporary Assistance for Needy Families, Vocational Rehabilitation, and Board staff. The Business Services Team is responsible for connecting with companies in the targeted industry sectors and occupations, and other employers that have hiring needs, in order to understand and meet their needs through a variety of employer-driven initiatives and services, such as OJT.

In order to understand and to meet the needs of employers, Business Services Team members connect with area employers by participating in regional economic development groups comprised of training providers, Chambers of Commerce, plant managers, and economic developers in order to identify high-growth jobs and industries that are adding substantial jobs to the local economy. Local employers also serve on the local board and board committees. Labor market information (LMI) is also utilized to identify and meet employers' needs. LMI is available through Jobs4TN and Economic Modeling Systems, Inc. (EMSI) and can be used to help employers identify average wages for jobs in an area, which occupations are predicted to have the most future job openings, as well as unemployment rates in an area.

The Executive Director of the East Tennessee Local Workforce Development Board and/or his/her designee, also supports and promotes work-based learning with existing and prospective industry, when appropriate. Interested employers are referred to a Business Services Team member for specific details and services.

## Registered Apprenticeships

A Registered Apprenticeship (RA) is an "earn and learn" training model that combines structured learning with on-the-job training from an assigned mentor. The goal is to provide workers with advanced sets of skills that meet the specific needs of employers. Upon completion of a RA program, participants receive an industry issued, postsecondary credential that certifies occupational proficiency. This credential is also portable (see WIOA Section 122[a][2][A]). Local areas may also offer support services, in coordination with career and or training services, to participants in an RA program in accordance with supportive services consistent with WIOA Section 134(d)(2), TEGL 19-16, and local policies. To be eligible, a participant must be selected by the employer to participate in a Registered Apprenticeship program (included on the WIOA Eligible Training Provider List), which may include participation in a pre-apprenticeship program.

- A Pre-apprenticeship is a program or set of strategies designed to prepare individuals to enter, and succeed in, registered apprenticeship programs. These programs have a documented partnership with at least one registered apprenticeship program sponsor. Pre-apprenticeship programs expand the participant's career pathway opportunities by combining industry-based training and classroom instruction. Adult, Dislocated Workers, or Youth participating in pre- apprenticeship may receive funding through paid work experience positions, and associated support services, in accordance with the guidelines listed in the Work Experience section of this policy.

## Transitional Jobs

The local area may use up to 10% of its combined total of Adult and Dislocated Worker allotments for transitional jobs as described in WIOA Sec. 134(d)(5). A transitional job is one that provides a time-limited work experience that is subsidized in the public, private, or non-profit sectors for those individuals with barriers to employment who are chronically unemployed or have an inconsistent work history. Transitional jobs must be combined with comprehensive career and support services and are designed to enable an individual to establish a work history, demonstrate work success in an employee-employer relationship, and develop the skills that lead to entry into and retention in unsubsidized employment. Unlike an On-the-Job Training (OJT) contract, there is no expectation that the individual will continue his or her hire with the employer after the work placement is complete; however, employers are encouraged to consider establishing an OJT contract and ultimately employ individuals participating in transitional jobs as part of a *Ready, Set, Hire* approach to hiring job seekers.

The *Ready, Set, Hire* approach allows a job seeker and employer to mutually benefit from the combined offerings of:

- **Ready - Transitional Job** Up to 320 hours of subsidized employment through a transitional job based on the job seeker's needs as documented on the Individual Service Strategy (ISS). The job seeker's employment is subsidized through the WIOA Adult or Dislocated Worker program at no cost to the employer. The job seeker will be paid through the program at the higher of 80% of the starting rate of the position being performed or a minimum of \$8.00 per hour. For instance, a participant working in a Production position which pays \$10 per hour would be paid \$8.00 per hour for the duration of the transitional job ( $\$10.00 \times 0.8 = \$8.00$  per hour). (Examples: Starting wage = \$9;  $\$9 \times 0.8 = \$7.20$ ; pay = \$8.00; or starting wage = \$11;  $\$11 \times 0.8 = \$8.80$ ; pay = \$8.80).

*Note: The Director may approve work placement through a transitional job beyond 320 hours on a case- by-case basis as needed based on the job seeker's need as documented on the ISS.*

- **Set - OJT Position** Up to 320 hours of employment through an OJT grant, based on the job seeker's needs as documented on the ISS and the training needs of the position as demonstrated by the Specific Vocational Preparation (SVP) level of the position. Employers may be reimbursed up to 50% of an eligible OJT participant's wages for the completion of the specified training period in accordance with the guidelines.
- **Hire!** Employers are encouraged to consider hiring participants who successfully complete a Transitional Job, with or without an OJT contract. Participants on an OJT contract are employees of the business and are expected to be retained upon the successful completion of the training period. Employers may qualify for a Work Opportunity Tax Credit ranging from \$1,200 to \$9,600 for hiring individuals with barriers who are considered a member of a qualified targeted group.

Eligibility Criteria - In order to be eligible for a transitional job, applicants must:

- Be determined eligible as an Adult or Dislocated Worker in accordance with the guidelines set forth in the Eligibility Manual.
- Have a barrier(s) to employment as documented by being a member of 1 or more of the following populations in accordance with the guidelines:
  - Displaced homemakers.
  - Low-income individuals.
  - Indians, Alaska Natives, and Native Hawaiians, as such terms are defined in section 166.
  - Individuals with disabilities, including youth who are individuals with disabilities.
  - Older individuals.
  - Ex-offenders.
  - Homeless individuals (as defined in section 41403(6) of the Violence Against Women Act of 1994 (42 U.S.C. 14043e-2(6))), or homeless children and youths (as H. R. 803–10 defined in section 725(2) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a(2))).
  - Youth who are in or have aged out of the foster care system.
  - Individuals who are English language learners, individuals who have low levels of literacy, and individuals facing substantial cultural barriers.
  - Eligible migrant and seasonal farmworkers, as defined in section 167(i).
  - Individuals within 2 years of exhausting lifetime eligibility under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.).
  - Single parents (including single pregnant women).
  - Long-term unemployed individuals (i.e. individuals who have been unemployed 27 weeks or longer).
  - Such other groups as the Governor involved determines to have barriers to employment.
- Be chronically unemployed or have an inconsistent work history, as defined by the LWDB in accordance with § 680.190, and documented in the work history section of the Application and Eligibility Form. Taking into consideration an individual's labor market history, unemployment status, durations of unemployment, and long-term unemployment status, the East Tennessee Local Workforce Development Board has determined individuals to be chronically unemployed or to have an inconsistent work history if they meet one or more of the following items:
  - Currently unemployed and have been unemployed for 27 weeks or longer (long-term unemployed).
  - Currently unemployed for less than 27 weeks but have had at least one period of unemployment for 27 weeks or longer within the last 5 years.
  - Two or more significant (13 weeks or longer) gaps in employment within the last five years.
  - Five or more position changes within the last three years.
  - Three or more gaps in employment within the last three years.
  - Have been incarcerated within the last 10 years.
- Receive appropriate Basic and / or Individualized Career Services to prepare for a successful entry into and retention in a transitional job and ultimately unsubsidized employment as documented on the ISS.
- Receive support services in order to be able to participate in a transitional job and ultimately unsubsidized employment. Support services for transitional jobs include:
  - A one-time only payment, up to \$300.00, for work-related items such as appropriate work attire, uniforms, tools, medical physicals, back ground checks, drug screens, industry certifications if not covered by an ITA, driver's license, etc. The items will be purchased by a program staff person on behalf of the participant in accordance with applicable purchasing policies.
  - Transportation assistance to the worksite for the first 30 days of employment. The transportation assistance will be paid as a one-time only payment based on the participant's work schedule and mileage from home to the worksite.

## Work Experience

WIOA and 20 CFR § 681.590(a) require that a minimum of 20 percent of local area funds for the Title I Youth program be spent on work experience. As explained in 20 CFR § 681.590(b), local area administrative costs are not subject to the 20 percent minimum work experience expenditure requirement. Work experience is defined as paid (subsidized) or unpaid work experience that is a planned, structured learning experience in a workplace for a limited period of time. This experience provides participants with opportunities for career exploration and skill development. Work experience must include academic and occupational education (20 CFR 681.600[a-b]). The wage scale for paid work experience is found in the ETLWDA *Work Experience Policy*.

WIOA identifies four categories of work experience: (1) summer employment opportunities and other employment opportunities available throughout the school year; (2) pre-apprenticeship programs; (3) internships and job shadowing; and (4) on-the-job training (OJT) opportunities as defined in WIOA Section 3(44) and in 20 CFR § 680.700. Eligible WIOA youth program participants may participate in more than one work experience program (i.e. summer employment, job shadowing, pre-apprenticeship) over the duration of their program participation (20 CFR 681.600[c]).

- Job shadowing is a work experience option where youth learn about a job by “walking through the work day as a shadow” to become competent workers. The job shadowing work experience is temporary, unpaid exposure to the workplace in an occupational area of interest to the youth.

Work experience expenditures are recorded in the State’s Virtual One Stop by career service provider staff and tracked monthly, both on internal documents and required State reports.

**Reference:** 20 CFR 680.700(b); 20 CFR 680.840; Federal Register Vol. 81, No. 161, Page 56117; TEGL 03-15 (specifically “Training Contracts” on pages 9-10); WIOA Section 181(b)(2)(A); WIOA Section (d) (2); WIOA Section 188(a)(3)

**Related TDLWD Policy:** Incumbent Worker Training (IWT) Grants Policy; Work-Based Training Guidance (pages 3 and 10).