

IWTP: Incumbent Worker Training Program

Overview

The Incumbent Worker Training Program (IWTP) is designed to benefit business and industry by assisting in existing employees' skill development and by increasing employee productivity and company growth. This is expected to result in the creation of new jobs, the retention of jobs that otherwise may have been eliminated, and an increase in wages for the trained workers.

The IWTP works as a partnership between the Louisiana Workforce Commission (LWC), business and industry, and training providers. The program is funded by a social charge assessed on employers that is paid along with Unemployment Insurance (UI) tax contributions. The funds are dedicated solely for training to benefit incumbent workers of an industry or businesses operating in Louisiana for whom the businesses incur a state unemployment tax liability. The customized training this partnership provides produces benefits for:

Employers:

Skilled Workforce
Increased Productivity
Increased Profits
Company Growth
Retention of Workforce

Trainees:

Employee Advancement
Increased Job Opportunities
Increased Wages
Job Retention
Self Esteem

Who Can Participate?

An applicant is eligible to participate in the Incumbent Worker Training Program if it meets the following criteria:

1. Is an individual employer or a consortium made up of two or more eligible employers that meets all of the following requirements:
 - a. Has been operating in Louisiana for not less than three years.
 - b. Is contributing to the Incumbent Worker Training Account.
 - c. Is current on the payment of its state unemployment taxes.

2. Is a labor or community-based organization, or a consortium made up of any combination of educational institutions, eligible individual employers, or labor or community-based organizations, that seek to provide customized training for workers who meet all of the following:
 - a. Are in a demand occupation.
 - b. Are incumbent to an industry.
 - c. Were attached to a contributing employer within the last twelve months.
 - d. Are not receiving unemployment insurance benefits at the time of training.

Eligibility Criteria

Employers must: 1) have been in business in the state for at least three years, contributing to the Incumbent Worker Training Account, and be in full compliance with Louisiana's UI laws; 2) have at least fifteen people to be trained; and 3) cannot be receiving Small Business Employee Training (SBET) concurrently.

In addition, the employer's request for training must be to: 1) prevent job loss caused by obsolete skills, technological change, or national or global competition; 2) create, update, or retain jobs in a labor demand occupation; or 3) update or retain jobs in an occupation which is not a labor demand occupation, if the administrator determines that the services are necessary to prevent the likely loss of jobs.

Training Providers selected by employers must demonstrate a history of: 1) successful training through its placement, retention, and satisfaction rates; 2) collaboration with the targeted industry in the development of the training program curriculum; and 3) use of a current industry standard as the basis for programs utilized to train students for employment in the targeted industry.

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[IWTP Regional Contacts List](#)

Incumbent Worker Training Program • 1001 North 23rd Street • PO Box 94094 • Baton Rouge, LA 70804-9094
phone: (225) 342-8987 • fax: (225) 342-8991



1001 North 23rd Street
Post Office Box 94094
Baton Rouge, LA 70804-9094

(O) 225-342-3110
(F) 225-342-2051
www.laworks.net

John Bel Edwards, Governor
Ava Cates, Secretary

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NOTE: Employers seeking a training award **may not** select the following as a training provider: 1) any entity whose principal owner is an immediate family member, as defined in the Code of Governmental Ethics, of an individual in a management position with the employer who has the authority to make decisions regarding the training program; or 2) any related business such as a parent, subsidiary, or partner of the employer.

Trainees must be incumbent workers for whom the employer incurs a UI tax liability for the state of Louisiana.

Preferential Consideration

Preferential consideration is given to those companies that:

- select public training providers;
- donate materials, equipment or instructors to public training providers within the state;
- hired recent recipients of public assistance (such as Workforce Investment Act funds, Unemployment Insurance benefits, Family Independence Temporary Assistance Program, or FITAP), and rehabilitative services or individuals recently released from a correctional facility;
- participated in a workplace safety consultation with employees of the Office of Workers' Compensation Administration,
- listed job openings with LWC, and
- never received a training award under this program.



The Process

The following takes you through the flow of a typical IWTP application. By following this process, you will get a clear picture of how the system works.

Identifying

1. Employer meets with employees, supervisors and managers to identify specific company training needs, to determine what occupations need training, and to discuss how current training can be enhanced.
2. Employer identifies a training project coordinator/contact person for the company. This might be a Human Resources Manager, Division Manager, Company Trainer, Supervisor, Special Projects Coordinator, or Lead Worker.
3. Employer researches and interviews potential training providers to discuss the following types of issues: Does the curriculum currently offered by the training provider meet the company's needs? If not, can the curriculum be adapted to meet the company's needs, or is the school able to offer and/or develop a new curriculum? What resources (space, equipment, instructors, etc.) does the school have? Can it offer training in an acceptable time frame?
4. Training Provider and employer identify available training resources, both internal (company instructors) and external (outside training providers and vendors).

Applying

1. Employer and training provider identify specific training costs:

Tuition	Vendor/Training Seminars
Audio/Visual Materials	Furniture & Fixtures*
Other Consumables	Training Texts/Manuals
Equipment*	Raw Materials
Coordination Costs	Travel
CBT Software	

* Limited to Public Training Providers. Must follow state bid procedures and must be related to the proposed training.

2. Employer and training provider complete the [IWTP Application](#) on the LWC website.
 - Standardized format (Web Application)
 - Automatic calculations
 - Easily viewed among company, training provider, and LWC
3. Employer or training provider submits an application with supporting documentation to the appropriate Regional IWTP Specialist. Refer to [IWTP Regional Contacts](#) on the LWC website.
4. Regional IWTP Specialist reviews and negotiates the application; conveys concerns and questions to the contact persons for employer and training provider to resolve any issues about the application; then notifies the IWTP Review Panel when the application is ready for final review.

Applications are rated and assigned a numerical score using the [IWTP Rating Form](#). Applications scoring less than 100 points are not considered for final approval.
5. IWTP Review Panel reviews application and returns any concerns or issues to IWTP Regional Specialist for further action.

Approval

1. The IWTP Review Panel recommends applications to the LWC Deputy Executive Director for approval on a monthly basis. The Panel ranks applications based on the IWTP rating form scores. The highest scoring grants eligible for award, based on the funds available that cycle, are forwarded with a recommendation for final approval. Final approval is given by the LWC Deputy Executive Director.
2. When the application receives final approval, the IWTP Specialist initiates a three-party contract and emails it to both parties for signature.
3. The company and the training provider sign the contract and return it to the LWC IWTP Unit.
4. The Deputy Executive Director signs the contract and forwards it to LWC Contracts Unit for review.
5. The IWTP Unit sends a copy of the approved contract to the company and the training provider.
6. Training begins.

Frequently Asked Questions

General

- When can an employee be considered an “incumbent” worker?
Once he/she is on the payroll of the employer.
- Can employees in different occupations be trained?
Yes.
- Who receives the funds?
All funds are provided to the training provider.
- When can funds be reimbursed?
Funds may be dispersed only after a contract has been approved by LWC. No funds spent on the project prior to the Deputy Executive Director’s approval will be considered eligible for reimbursement. **Any work performed prior to the contract approval of LWC is performed at the risk of the training provider.** Should LWC’s approval of the contract not be obtained, payment for any work performed by the provider may not be rendered by the state.
- Can workers be sent out of state to be trained?
No. Training funds are intended for use in Louisiana where they can enhance the training capabilities of Louisiana training providers.
- Can an employer be reimbursed for a trainee’s wages during actual training time?
No.
- Who do I contact for additional information?
Refer to the IWTP Regional Contacts list on the LWC website at: [IWTP Regional Contacts](#).

Employer Eligibility

- If an employer that has not been in business for three years, but purchased a company that has operated in Louisiana for at least three years, is the employer eligible to participate?
There is a good possibility that an employer can qualify based on current records combined with their predecessor’s. The Chief of Tax for LWC will review UI tax records to determine whether an employer meets the eligibility requirements. Employers interested in determining whether or not they are eligible for

IWTP should contact their IWTP Regional Specialist. Refer to the IWTP Regional Contacts list on the LWC website at: [IWTP Regional Contacts](#).

- Can an employer that cannot identify 15 trainees to be trained participate in IWTP?
Yes, if a consortium is formed with two or more employers that have similar training needs and can collectively identify 15 trainees. If an employer has fewer than 15 employees, he/she may be eligible for the IWTP Small Business Employment Training (SBET) Program. Information on the SBET program can be obtained from the IWTP webpage.
- Does the training have to consist of full class size projects of 15 in one occupation?
No, but cost effectiveness should be considered when establishing a training plan.
- Can an employer receive IWTP Customized Training and SBET concurrently?
No.
- How many employers are needed to make up a consortium?
Two (2) or more.
- Why can’t an employer who does not contribute to UI taxes participate in the IWTP?
IWTP is funded by a social charge assessed on employers as part of their quarterly UI tax payments, therefore, only those employers that contribute to the system on a quarterly basis are eligible to participate.
- Can an employer with more than one location in the state file more than one application?
An employer with multiple operation sites and a single UI tax identification number shall be limited to a single application which may encompass training at the various sites, as long as the amount awarded under the application does not exceed the maximum award amount. When an employer has more than one site and each site maintains a different UI tax identification number, the employer may apply for a separate training award under each tax identification number.

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Supplanting

- How is the term “supplanting” defined for this program?
The diversion of normal training funding for other uses simply because training funds are awarded under the IWTP.
- What must an employer do to show that funds will be used to “supplement” and not “supplant” their current training?
The employer must indicate in their application the actual amount of funding spent on training for the *current* year (within the last 12 months) and the amount *projected* to be spent for the next 12 months. In addition, the employer must submit documentation to show and compare how these amounts were determined and that they fully intend to maintain their current level of funding for training purposes.
- Is it considered supplanting for an employer to request training they previously offered?
Not if the employer can document when they submit their application that they fully intend to maintain their current level of funding for training purposes and that the IWTP dollars will be used to expand the scope of training previously offered.
- What costs should be included in determining an employer’s current and projected training budget?
All costs that are directly related to training, such as tuition, instructor costs, texts and manuals, equipment used specifically for training, travel expenses for the trainees, etc.
- Should the wages of employees paid while in training be counted towards the employer’s training budget?
No.

Selecting a Training Provider

- Who selects the training provider(s)?
The employer
- Does an employer have to select a public training provider?
No; however, preferential consideration is given to those who select a public training provider.

- Is it possible to use multiple training providers?

In some instances, it may be necessary to utilize multiple training providers (i.e., a training provider may be unable to offer certain types of training, or be unable to train in other locations throughout the state). Where multiple training providers are utilized, a primary training provider is selected. The primary training provider is responsible for procuring the services of additional training providers, if necessary. As a general rule, the primary training provider provides the majority of the training; however, in some instances the primary provider may be the training institution responsible for coordinating the training project, and acting as fiscal agent. Funds are disbursed to the primary training provider, who in turn is responsible for reimbursing and monitoring all other providers.

- Who selects the instructors for the training?

The training provider and/or the employer can make recommendations for instructors.

- Can employees of a participating employer serve as instructors?

Yes.

- Who determines the curriculum to be taught?

The employer. Assistance can be provided to identify or develop appropriate curricula in order to customize an employer specific training program. Tools such as WorkKeys® Skill Assessments can also be used to help identify specific training needs

- Does the training have to take place at a training institution?

No. Training can be held at an employer’s work site as well. Resources available at the work site and at the training institution should be considered when determining where the training should take place.

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Performance Objectives

1. How are the performance objectives of the training project determined?

The performance objectives will be those objectives set forth by the employer and training provider in an approved application and will include *number of employees to complete training, number of additional jobs created, number employees to be retained and average wage increase. A contract will be considered successful if the average of all performance objectives combined meets or exceeds 75 percent.*

2. Who is held accountable for the performance objectives?

The training provider is responsible for training the specified number of trainees as referred to them by the employers. The employer is responsible for seeing that other objectives of the contract (wage increases, jobs created, and jobs retained) are carried out. *It is the responsibility of the training provider and the employer to advise LWC in advance if contract terms are insufficient to complete contract objectives.*

Note: Contracts may not be modified to change performance objectives within 180 days before the contract ending date.

3. Can one party be held accountable for the failure of the other party to meet its performance objectives?

No. LWC will not seek to withhold award funds or reclaim disbursed funds from one party to this contract in the event the other party fails to meet its performance objectives. LWC will not hold the employer responsible for the failure of the training institution to meet its performance objectives. Nor will LWC hold the training institution financially responsible for the failure of the employer to meet its specified performance objectives.

Questions from Training Providers

1. Is there a limit to how much Coordination Costs the training provider can request on the application?

A total of 10 percent of the total program costs requested will automatically be calculated and added to the total funding requested.

2. Is there a limit to how much Coordination Costs can be expended on each invoice?

Cumulative coordination costs expenditures shall not exceed 10 percent of total cumulative program costs expended, rather than the total amount allocated under the grant. Coordination costs must be proportionate to the total program expenditures and thereby in line with progressive program performance. Upon receipt of each invoice, LWC will reimburse only those expenditures within the 10 percent limit. It is the responsibility of training provider Coordinators to ensure that this limit is not exceeded.

3. Can equipment be purchased from the grant?

Yes, but only for public training providers.

4. Since total contract reimbursements cannot exceed 90 percent of the total grant amount until the performance objectives stated in the contract have been met, what happens if the performance objectives are not met?

LWC will conduct a review to determine what portions of the objectives were not met and the reason that the objectives were not met. Based on the findings, LWC will determine whether any or all of the additional 10 percent of the total grant amount should be awarded.

5. What is the process for receiving reimbursement for expenditures?

The primary training provider must submit an approved LWC invoice form, along with supporting documentation, to LWC's IWTP Unit. Amounts are not to exceed the approved line item budget cost categories specified in the approved application unless a rebudgeting request has been received and appropriate approvals have been obtained. The request will be processed and forwarded to LWC's Fiscal Unit for reimbursement.

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1001 North 23rd Street
Post Office Box 94094
Baton Rouge, LA 70804-9094

(O) 225-342-3110
(F) 225-342-2051
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6. What types of documentation will LWC require on each of the participants?

Name, address, social security number, title, hourly wage before and after training, hours trained to-date, status of training (in progress, completed, failed to complete), and whether or not training resulted in job retention (if applicable).

7. How often must I report this information?

Quarterly Reports must be submitted for each calendar quarter (March 31, June 30, September 30, and December 31) and are **due 15 calendar days** after each quarter.

8. Under what conditions can a contract be amended?

Conditions that require an amended contract include: a change to the total obligation amount (increase or decrease), extending the contract ending date, and/or making substantial changes to the services to be provided. Amendments to contracts must be signed by all parties and approved by LWC.

9. Are there time limitations when contract amendments can be requested?

Yes. No amendment will be allowed during the last 90 calendar days prior to the contract ending date. No changes to the performance objectives in the contract will be allowed during the last 180 calendar days prior to the original contract ending date.

10. What if the employer or training provider wants to make a change in the budget?

Requests for changes to budget items may be submitted for prior approval to the appropriate [IWTP Regional Specialist](#). Moving funds from one cost category to another requires the submission of a revision request. The appropriate forms to request revisions and amendments can be found on the [IWTP website](#).