

**North Carolina**  
**Department of Commerce**  
*Division of Workforce Development*

**Beverly Eaves Perdue, Governor**  
**J. Keith Crisco, Secretary**

**Roger Shackelford, Executive Director**

March 25, 2009

LOCAL AREA ISSUANCE NO. 2009-04

**SUBJECT:** Local Workforce Development Area Incumbent Workforce Training.

**PURPOSE:** To provide guidelines to North Carolina Local Workforce Development Areas choosing to use up to 25 percent of local Adult and Dislocated Worker allocated formula program funds to serve Incumbent Workers.

**DEFINITION:** *Incumbent Worker* is defined to be an individual or groups of individuals, who are employed. An Incumbent Worker does not necessarily have to meet the eligibility requirements for intensive and training services for employed Adults and Dislocated Workers as described in Sec. 665.220 of the Workforce Investment Act.

**BACKGROUND:** Since 2003, North Carolina has provided an Incumbent Workforce Development program in the State under the Workforce Investment Act using Statewide Activities funds.

To provide more flexibility to meet the workforce demands and challenges the state encounters, in 2006 North Carolina applied for and received a waiver from the U.S. Department of Labor of WIA Sections 134 and 136(b)(2). This waiver permits the use of up to 25 percent of Adult and Dislocated Worker formula program funds for Incumbent Workforce Training. The waiver approval states the funds can be used in the same manner as Statewide Activities funding; therefore, income eligibility does not apply to individuals served and outcomes are not included in the Local Workforce Development Area performance calculation.

Local Workforce Development Areas are required to collect and report program outcomes based on criteria outlined in their local policy, similar to reporting requirements found in the WorkforcePlus™ system, and approved by the Division upon submission of the local policy. The outcome measures should promote a competitive workforce by promoting economic growth, upgrading worker skills and training, and retaining good employees. Individuals served under this waiver will be reported using the Division of Workforce Development's WorkforcePlus™ system.

According to U.S. Department of Labor Training and Employment Guidance Letter (TEGL) 18-05, the way to maintain a competitive economy and promote economic growth is by helping businesses solve workforce challenges such as the need to continuously upgrade worker skills and reduce high turnover. The option of using Local Workforce Development Area funds for Incumbent Workforce Development Training will advance North Carolina's ability to assist citizens and businesses in partnership with Local Workforce Development Areas and strengthen both Local Workforce Development Areas and the state workforce system.

TEGL 18-05 states local formula funds may be used for projects to provide intensive and training services to incumbent workers who do not have to meet the definition for dislocated workers as provided in the WIA Section 101(9), or the criteria for employed adults and dislocated workers under WIA 134(d)(4)(a).

The intent of Local Incumbent Workforce Development Training is to provide services for current workers in established North Carolina businesses. Participating businesses must be current on all tax obligations. The Local Workforce Development Area Incumbent Workforce Training policy should be designed to enhance the skills and earnings of employees and position employers to realize increased competitiveness and profitability, thereby increasing the retention of existing jobs.

**ACTION:**

Local Area Workforce Development Boards must develop a local Incumbent Workforce Development Training policy and submit it to Business Services within the Division for review and approval prior to implementing a local program. As a reference, the State's most recent Incumbent Workforce Development Policy is available as a template/guideline. Local Workforce Development Areas are to use the Local Area Incumbent Workforce Training Policy Outline provided as Attachment A of this Issuance in designing the local policy.

After receiving approval of the Local Incumbent Workforce Development Training Policy from Business Services, an Administrative Adjustment Transmittal cover page must be submitted to the Local Workforce Development Area's designated Planner. This

action incorporates the policy into the Local Plan. Funds for local Incumbent Workforce Development may not exceed 25 percent of local Adult and Dislocated Worker formula program funds. Local Workforce Development Areas may also use up to 25 percent of funds from the American Recovery & Reinvestment Act's Adult and Dislocated Worker program funds. Expenditures from the ARRA will be reported separately from the Local Workforce Development Area formula funds and instructions will be issued.

The WorkforcePlus™ system will be used for tracking enrollments of Incumbent Worker participants when using formula funds. On the WorkforcePlus™ system, Local Workforce Development Area staff must key participants into the Adult 15% category and select *2020 Local IWP or 2030 Local IWPDW* on the Activity Funding Code screen. These fund codes, *2020 Local IWP or 2030 Local IWPDW*, must be entered consistently throughout the WorkforcePlus™ Activity Screens or the individual will become part of the Local Workforce Development Area's performance measure denominator and numerators. See Attachment B for details on keying participants.


Local Workforce Development Areas must report expenditures through regular Financial Reporting to the Division up to the eligible 25 percent Adult Local formula funds and 25 percent Dislocated Worker Local formula funds. Workforce Development Areas who receive Plan approval for Incumbent Workforce Development Training with local funds will receive a specific spreadsheet format to follow.

Local Workforce Development Areas desiring assistance are encouraged to contact their Business Services Coordinator.

EFFECTIVE DATE: Immediately

EXPIRATION DATE: Indefinite

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Attachments:

A - Policy Outline

B - Keying into the WorkforcePlus

### **Local Workforce Development Area Incumbent Workforce Training Policy Outline**

The Local Workforce Development Area Incumbent Workforce Training Policy must address, at minimum, the following elements:

- Provide amount designated as available with Local Area funds must be identified (Not to exceed 25 percent of local Adult and Dislocated Worker allocated formula program funds; and not to exceed 25 percent of Adult and Dislocated Worker funds from the American Recovery & Reinvestment Act)
- Maximum funding allowed per grant; indicate maximum lifetime per company
- Local Program Focus/Priorities Narrative (examples, certain industry sectors, size of business)
- Program Outcome Measures
- Application Process
- Applicant Criteria: qualifications, eligibility and any restrictions for the business and employees
- Project Requirements (examples, description of training to be provided, duration of training, eligibility for individuals-age, citizenship, selective service registration)
- Reimbursable and Non-reimbursable costs
- Evaluation Procedures

After developing a local policy, the policy will be submitted to the Division of Workforce Development, Business Services Section for review, Division approval, and incorporation by Administrative Adjustment into the current program year Plan.

Local Workforce Development Areas will be notified of approval of the Administrative Adjustment incorporating the Local Area Incumbent Workforce Training Policy into their Plan. The Local Workforce Development Area may begin implementation of local Incumbent Workforce Development Training upon receipt of written approval.

### **Keying the Local Incumbent Worker Participants into WorkforcePlus™**

All Local Incumbent Worker Project (IWP) participants will be tracked in WorkforcePlus™ using the “Adult 15%” program. These participants will not be included in the Local Area’s annual WIA performance calculations. All WorkforcePlus™ system data requirements of a formula Adult WIA participant in WorkforcePlus™ will apply to the formula funded IWP participants (Adult Eligibility, Order of Activities, Leave Edit checks, System Exit). Instructions for WorkforcePlus™ data requirements for enrollments into the American Recovery & Reinvestment Act Incumbent Worker program will be announced at a later date.

The North Carolina waiver for Local Workforce Development Area Incumbent Worker programs allows up to 25% Adult and Dislocated Worker base allocated formula program funds to be used. The US Department of Labor TEGL 18-05 waives income eligibility requirements for Adults and eligibility criteria for Dislocated Workers outlined in WIA §101(9). The Division of Workforce Development cannot disable the Dislocated Worker eligibility edits in WorkforcePlus™. To accommodate this Dislocated Worker eligibility edit, all local IWP participants will be keyed into the Adult 15% program in WorkforcePlus™. Then, select the appropriate “funding code” in the activity screen(s) to identify whether the local IWP participant is an Adult or Dislocated Worker. Note that the WorkforcePlus™ data entry requirements are merely a method of tracking these local IWP participants. This data collection/entry solution is totally separate and apart from the fiscal reporting requirements for the local IWP program.

- Select program “Adult 15%” for Adult and Dislocated Worker funded Local IWP participants
- Complete entire application as normal
- Check Eligibility (Citizen/ SSA compliance/ >=18)
- Certify the case
- Key in I-Case Management (required 1<sup>st</sup> Activity)
- Choose funding code specific to where the participant is enrolled
  - 2020 – Local IWP Adult
  - 2030 – Local IWP DW
- Key in T – Training(if applicable)
  - Choose SAME funding code for every activity keyed.

To limit the number of local IWP records that will be updated every 90 days staff may key the local Incumbent Worker enrollments into WorkforcePlus at the time the participant begins the training program. Simultaneously, the exit date can also be keyed, if it is known. If the exit date is not known, the case will remain open and the system will automatically exit the case after 90 days back to the last date of a service that was keyed into the system. This will save a step in leaving/exiting cases.

All local funded Incumbent Worker participants will be included in the Division’s annual WIASRD submission to DOL. These detailed records, which have many required fields, require accurate data. For this reason, it is recommended that Local Workforce Development Areas keep these records using the file structure policy created in accordance with Local Area Issuances Number 2004-17 and 2004-17, Change 1.