

ARIZONA DEPARTMENT OF ECONOMIC SECURITY



WORKFORCE INNOVATION AND  
OPPORTUNITY ACT  
POLICY MANUAL

CHAPTER 2 - SECTION 500

SUBJECT: TRAINING SERVICES

**Note: The federal regulations governing these services are still in draft form. These policies will be revised as needed, pending final federal regulations and state board approval.**

## **500 BACKGROUND AND PURPOSE**

This section provides policy for Training Services that are available to unemployed or underemployed adults, and dislocated workers. Training prepares individuals with the in-demand skills that meet employers' needs based on labor market information, Local Workforce Development Area (LWDA) and tribal entity sector strategies, career pathways, and business outreach. Through job driven training, individuals acquire the skills needed to obtain and/or retain employment and increase earnings which lead to self-sufficiency. Training services for youth are addressed in the Youth Program policy in Section 300.

References: Workforce Innovation and Opportunity Act (WIOA) of 2013 (P.L. 113-128) Federal Register 20 CFR 680, and Training and Employment Guidance Letters (TEGLs) 17-05 and 15-10.

## **501 TRAINING SERVICES**

Training services are available to assist individuals in gaining the skills and knowledge to obtain and retain employment. Training is administered by public and private sector employers as well as institutions of higher education, Registered Apprenticeships, and other public and private providers of programs of training services. The training must be directly linked to the employment opportunities in either the LWDA in which the participant resides or in another local area where the participant is willing to relocate. Training services may include:

A. Occupational Skills Training

Training that is designed to meet the technical needs of the workplace and provides specific vocational skills that lead to proficiency in performing actual tasks and technical functions

required by specific occupational fields. Occupational skills training includes training in non-traditional employment. Providers of occupational skills training must be listed on the Eligible Training Provider List (ETPL) and the specific training program must be listed as WIOA approved (see Section 506).

- B. Programs that combine workplace training with related instruction, which may include cooperative education programs.

- C. Skill upgrading and retraining

A short-term or part-time training designed to upgrade skills in the workplace and provide retraining to enhance current skills. Skill upgrading and training programs must be listed on the ETPL.

- D. Entrepreneurial training

Training on the responsibilities of organizing, managing, and operating a business or enterprise.

- E. Transitional Jobs

Transitional jobs are time-limited subsidized work experiences which include comprehensive employment and supportive services and are designed to establish a work history, demonstrate success in the workplace and develop skills that lead to entry and retention in unsubsidized employment (see Section 508).

- F. On-the-Job Training (OJT)

Training provided under a contract with an employer who is reimbursed a percentage of the wage rate of the participant being trained while engaged in productive work in a job (see Section 509).

- G. Customized Training

Training designed for the specific requirements of an employer or group of employers, which is related to new production or service procedures, upgrading to new jobs that require new skills, workplace literacy or other appropriate purposes as identified by the local board, upon completion of the training the employer must commit to employ or continue to employ the individual(s) who participated in the training (see Section 510).

H. Incumbent Worker Training

Training designed to help the local area employer's workforce obtain the skills necessary to retain employment and prevent job loss. The training activities are carried out by the local board in conjunction with employers or a group of employers (which may include employers in partnership with other entities for delivering such training) for the purpose of assisting such workers in obtaining the skills necessary to retain employment or avert layoffs (see Section 511).

I. Adult Education and Literacy

Adult education and literacy activities include English Language Acquisition and integrated education training programs, provided concurrently or in combination with:

1. Occupational skills training;
2. On-the-job training;
3. Incumbent worker training;
4. Programs that combine workplace training with related instruction; or
5. Skill upgrading and retraining.

Note: Programs that combine Adult and Literacy activities with Occupational Skills training and skill upgrading must be listed on the Eligible Training Provider List (ETPL). Only the Occupational Skills Training or Skill Upgrading and Retraining component of the training must meet ETPL performance criteria.

J. Job readiness training if offered in combination with:

1. Occupation skills training;
2. On-the-job training;
3. Incumbent worker training;

4. Programs that combine workplace training with related instruction;
5. Skill upgrading and retraining; or
6. Entrepreneurial Training.

K. Registered Apprenticeship

Training provided on an approved set of National Guidelines for Apprenticeship Standards developed by a national committee or organization which includes on-the-job training and related technical instruction in a classroom instruction setting.

Note: The types of training listed in this policy are not inclusive as LWDA's and tribal entities may provide additional types of training.

## **502 TRAINING SERVICES ELIGIBILITY**

### **.01 Eligibility Requirements**

All adults and dislocated workers must be registered and enrolled in the Arizona Job Connection (AJC) and determined eligible prior to receiving training services. Training services are available to employed and unemployed adults and dislocated workers if:

- A. The LWDA determines, after an interview, evaluation or assessment, and career planning that the participant is:
  1. Unlikely or unable to attain or retain employment that leads to economic self-sufficiency or wages comparable to or higher from previous employment through career services;
  2. In need of training services to obtain or retain employment that leads to economic self-sufficiency, or wages comparable or higher to wages from previous employment;
  3. Determined to have the skills and qualifications to successfully participate in training services;
  4. Selecting a program of training services that is directly linked to employment opportunities in the local area or the planning

- region, or in another area to which the individuals are willing to commute or relocate;
5. Unable to obtain grant assistance from other sources to pay for the cost of training or require WIOA Assistance in addition to other sources of grant assistance (see Section 503); and
  6. Determined eligible according to the state and local priority of service system for the WIOA Adult Program.

## **.02 Required Career Services**

Prior to providing training services, the One-Stop Operator or One-Stop partner must obtain enough information to make an eligibility determination that an individual is eligible to receive training services.

- A. Participants at a minimum must receive:
  1. An interview, assessments or evaluation and career planning, including the development of an Individual Employment Plan (IEP); or
  2. Other services as determined by the One-Stop Operator or One-Stop partners to gather enough information to make an eligibility determination.
- B. One-Stop Operators or One-Stop partners may use a participant's recent interview, evaluation, or assessment for assessment purposes when conducted by another education or training program, as the LWDA determines appropriate.
- C. It is possible on rare occasions that participants do not receive a career service prior to receiving training services. However, when training services are provided without the services listed in this section, the LWDA or tribal entity must describe in the participant's case file the circumstances that justified the reason the individual did not receive these services prior to training services. Likewise, there is not a minimum time period for participation in career services prior to the individual becoming eligible for training services.

### **.03 Case File Documentation**

Training participants' case files must include:

- A. A determination of the need for training services as determined by interview, assessment, or evaluation;
- B. Career Planning documentation, including that the participant was provided labor market information and training provider performance information; and
- C. Any other career services received.

## **503 COORDINATION OF WIOA TRAINING FUNDS WITH OTHER GRANT ASSISTANCE AND CO-ENROLLMENTS**

WIOA funding for training is limited to participants who are unable to obtain other grant assistance to pay for the cost of training or who require assistance beyond that available from other sources to pay for such training. LWDA and tribal entity staff must coordinate funding arrangements and co-enrollments with One-Stop partners and other entities.

### **.01 Coordination of Training Funds**

- A. LWDA and tribal entities must ensure that WIOA training funds are awarded only when no other sources of funding are available or the amount available is insufficient in covering the participant's training costs. Alternative sources of funding that may be available include, but are not limited to:
  - State-funded training funds;
  - Trade Adjustment Assistance (TAA);
  - Rehabilitation Act funds;
  - Temporary Assistance for Needy Families;
  - Federal Pell Grant funds; or
  - Other federal grant funds.
- B. In making the determination that WIOA funds are required, One-Stop operators must take into account the full cost of training, including

the cost of supportive services and other appropriate costs, to ensure the training is completed successfully.

- C. This provision does not apply to the GI Bill or other forms of Veterans Administration (VA) education or training benefits. Veterans and spouses are not required to coordinate their entitlement to VA training benefits with WIOA training funds.
- D. Student loans are excluded when determining the individual's overall need for WIOA funds for educational costs.
- E. Individuals may be attending school when they become a WIOA participant; reimbursement of training costs is not allowed for payments made prior to WIOA program participation.

### **.02 Application for the Pell Grant**

Pell Grant eligibility is established by completing the Free Application for Federal Student Aid (FAFSA). One-Stop operators must maintain documentation in the participant's file to support the eligibility determination and award of the Pell Grant.

- A. All WIOA program participants pursuing training at a Pell Grant eligible institution must apply for a Federal Pell Grant. A participant may enroll in WIOA-funded training while his/her application for a Federal Pell Grant is pending. Following the award of the Pell Grant, the training provider must reimburse the One-Stop operator the amount that the Pell Grant covers from the WIOA funds used to underwrite the training.
- B. The One-Stop Operator must have a completed agreement on file with the educational institution and the WIOA participant before any funds are paid to the training provider. This agreement must detail the amount to be initially paid by WIOA and the agreement between the training provider and the participant to reimburse WIOA through the Federal Pell Grant.
- C. Federal Pell Grants are awarded to cover tuition costs and education-related expenses, but only the amount of the grant that applies to the participant's tuition will be used to reimburse the expended WIOA funds.

### **.03 Co-enrollments**

Co-enrollment with partner programs including, but not limited to, Vocational Rehabilitation Program, Adult Education, Job Corps, TAA, and the Jobs Program, may occur during a WIOA participant's time with WIOA.

- A. In the case of co-enrollment in Job Corps and WIOA, the Job Corps component will be considered training on the IEP.
- B. Supportive services may be provided to support WIOA-funded or non-WIOA-funded trainings. Any supportive services provided for training must be documented appropriately in AJC and case notes.
- C. Co-case management with partner programs must ensure duplication of services does not occur.

## **504 INDIVIDUAL TRAINING ACCOUNT (ITA)**

ITAs with a specified dollar amount are established and used to provide training services to eligible WIOA adult or dislocated worker participants through the One-Stop delivery system based on needs identified in the IEP. ITAs are used for all training options that require use of the ETPL. Each training program requires a separate ITA.

### **.01 ITA Payments**

Payments from an ITA may be made in a variety of ways including the electronic transfer of funds through financial institutions, vouchers, or other appropriate methods. Payments may also be made incrementally through payment of a portion of the costs at different points in the training course. The ITA amount cannot exceed the total cost that is listed on the ETPL.

### **.02 ITA Limitations**

The amount and duration of each participant's ITA must be justified through documentation of the participant's needs as identified in the IEP and maintained in the participant's case file, such as the occupational choice or goal and level of training needed to succeed in that goal. Limitations established by LWDA policies must be described in the State Plan and the LWDA Business Plan, but should not be implemented in a manner that undermines the WIOA Title IB requirement that training services are implemented in a manner that maximizes consumer choice.

- A. LWDA may impose a dollar amount limit on an ITA per LWDA or tribal policy:

1. A range of amounts and/or maximum amount allowable for the ITA may be established.
  2. Exceptions to the limitations on the ITA must be determined on a case-by-case basis.
- B. An individual may select a training program that costs more than the maximum amount available for ITAs when other sources of funds are available to supplement the ITA (see Section 503).

### **.03 Individual Training Account Plan**

Each participant who is issued an ITA must have a completed “Individual Training Account Plan,” which must contain, but is not limited to:

- Total cost of the training program including tuition, supplies, books, and any fees;
- Dollar amount of additional sources of training funds including funds from other job training programs and grants to be applied to the training cost;
- Pell Grant eligibility and the award amount that will be applied to the training cost;
- Duration of the ITA Plan;
- Signatures from the LWDA staff member and participant;
- Assessments (or IEP) to document the participant’s ability to complete the training; and
- Labor market information that is relevant to the training to document the reasonable expectation of high-pay/high-demand employment upon completion of the training.

### **.04 Registered Apprenticeships and Individual Training Accounts (ITAs)**

- A. Registered Apprenticeships automatically qualify to be on the ETPL. ITAs can be used to support participants in:
1. Pre-apprenticeship training;

2. Training tuition for a Registered Apprenticeship program to the training provider;
3. Supportive services (see Supportive Services Section 700); and
4. Needs-related payments (see Supportive Services Section 700).

#### **.05 Additional Means of Providing Training**

Contracts for services may be used instead of ITAs only when one of the following applies:

- A. The services provided are on-the-job training, customized training, incumbent worker training, or transitional jobs;
- B. The LWDA and tribal entities determine that there are an insufficient number of eligible providers in the LWDA to issue an ITA. The LWDA Business Plan must describe the process to be used in selecting providers under a contract for services. This process must include a public comment period of at least 30 calendar days for interested providers;
- C. The LWDA and tribal entities determine there is a training services program offered by a community-based organization or another private organization in the area that has demonstrated effectiveness in serving individuals with barriers to employment. The LWDA and tribal entities must develop criteria to be used in determining demonstrated effectiveness as it applies to the individuals with barriers to employment. The criteria may include, but are not limited to:
  1. Financial stability;
  2. Demonstrated performance in the delivery of services for the hard-to-serve participant populations through such means as:
    - a. Program completion rate;
    - b. Attainment of skills;

- c. Certificates or degrees the program is designed to provide;
  - d. Placement in unsubsidized employment after training;
  - e. Retention in employment; and
  - f. The specific program's alignment with the workforce investment needs to be identified in the LWDA Business Plan;
3. Service to individuals with barriers to employment, including those in one or more of the following categories:
- a. Displaced homemakers;
  - b. Low-income individuals;
  - c. American Indians, Alaskan Natives and Native Hawaiians;
  - d. Individuals with disabilities;
  - e. Older Individuals (55 years and over);
  - f. Ex-offenders;
  - g. Youth who are in or aged-out of the foster care system;
  - h. Homeless individuals;
  - i. Individuals who are English language learners, have low levels of literacy, and/or facing substantial cultural barriers;
  - j. Eligible migrant and seasonal farmworkers
  - k. Individuals who are within 2 years of exhausting lifetime eligibility under Temporary Assistance for Needy Families (TANF). Note: effective January 1, 2016 the lifetime limit is reduced to 1 year.
  - l. Single-parents (including single pregnant women); or

- m. Other groups as determined by the Department of Economic Security (DES) to have barriers to employment.
- D. The LWDA determines that it is most appropriate to contract with an institution of higher learning or other eligible training provider of training services will facilitate training of multiple individual in-demand industry sectors or occupations, provided that the contract does not limit consumer choice; or
- E. The LWDA enters into a pay-for-performance contract.

## **505 CONSUMER CHOICE**

Training services that are provided through an ITA or a contract, must be provided in a manner that maximizes consumer choice in selecting a training provider. After consultation with a career planner, an individual who has been determined eligible for WIOA training services may select any Eligible Training Provider (ETP) on the state Eligible Training Provider List (ETPL), regardless of the LWDA that originally approved the training program. However, the selected training program must be in-demand in the local area or in-demand in a location where the training participant is willing to commute or relocate.

### **.01 Career Planning Consultations**

- A. Consultations with a career planner must include at a minimum an evaluation of the following:
  - Participant’s assessment results to determine if his/ her skills are sufficient to meet the skills needed to successfully complete a selected training program;
  - Program prerequisites;
  - Availability of additional training funds;
  - Cost of the training program;
  - Comparison of training programs; and

- Availability of jobs the in local job market and the minimum entry wage for related occupations. Jobs must be in in-demand occupations or industries in the local area.
- B. After the consultation, the LWDA must refer the individual to the selected provider and establish an ITA for the individual to pay for the training, unless the One-Stop operator has exhausted training funds. The referral may be provided to the person in the form of a voucher or certificate to obtain the training.

## **.02 Barriers to Training Participation**

WIOA participants may face barriers that may interfere with participation in training services, such as a lack of access to transportation or child care. These participants must not be excluded from opportunities to participate in training services. Supportive services must be provided as appropriate to assist participants in overcoming barriers (see Supportive Services Policy Section 700).

## **506 OCCUPATIONAL SKILLS TRAINING**

Occupational Skills Training is an organized program of study that provides specific vocational skills that lead to proficiency in performing actual tasks and technical functions required by a certain occupation fields at entry, intermediate, or advanced levels. LWDA's and tribal entities must give priority consideration to programs that lead to post-secondary credentials that align with the in-demand industry sectors in the local areas.

Occupational Skills Training must meet the following requirements:

- A. Occupational Skills Training for adults and dislocated workers must be approved on the ETPL (see Eligible Training Provider List Policy Section 600);
- B. Be outcome-oriented and focused on the occupational goal specified in the IEP;
- C. Result in the attainment of a post-secondary credential; and
- D. Provide a reasonable expectation that the WIOA participant will gain self-sufficient employment upon completion of training.

## **507 WORK-BASED TRAINING**

Work-Based Training includes on-the-job training, Registered Apprenticeship, incumbent worker training, and customized training. Work-Based Training is not subject to ETPL requirements except for Registered Apprenticeships.

### **.01 Business Requirements for Work-Based Training**

All businesses must be located and conducting business within the state of Arizona. Each business agrees to:

- A. Complete an application and enter into a contract with the LWDA or tribal entity that is funding the training program;
- B. Adhere to applicable WIOA administrative requirements as well as the nondiscrimination and equal opportunity provisions of the laws;
- C. Provide a Training Development Plan that identifies the training need and competencies that will be achieved for each individual selected to receive the training;
- D. Provide copies of a “Certificate of Completion” to the LWDA for each individual who successfully completes the prescribed training program. Such certificates must contain the individual’s name and the class or course completed through training;
- E. Employ, or in the case of incumbent workers continue to employ, an individual upon successful completion of training;
- F. Be available for LWDA program monitoring on a scheduled basis; and
- G. Provide quarterly post-training reports, including information on the retention and/or promotions of trainees and the impact training made on the business, for one year after the completion of the training.

### **.02 Work-Based Training Provisions**

Training must result in transferable skills within the industry in which the worker is currently employed and/or other growing industries within the LWDA and in an occupation with a high potential for sustained demand or growth as determined by the LWDA and tribal entity.

Work-based training must not:

- A. Displace any currently employed workers (including a partial displacement such as a reduction in non-overtime work, wage, or employment benefits);
- B. Impair an existing contract for services or a collective bargaining agreement;
- C. Procure, contract for, or incur costs to be paid from WIOA Title IB program funds prior to the start date, as determined by the date when all parties sign the contract;
- D. Be provided to any company that has relocated within the previous 120 days of its application if the relocation has resulted in any employee losing his or her job at the original location;
- E. Include proprietary training specific to a company, unless skills are determined to be transferable to other businesses or industries; and
- F. Be used to directly or indirectly assist, promote, or deter union organizing.

### **.03 Performance Requirements**

LWDAs and tribal entities must collect performance data to ensure employers who are participating in work-based training are fulfilling their commitment to hire training participants after they complete the training programs.

- A. LWDAs and tribal entities may set additional performance measures and criteria for work-based training programs.
- B. LWDAs must create a list of employers that offer work-based trainings that meets requirements in the local area.
- C. LWDAs must not contract with an employer who previously received payments under WIA or WIOA if the employer has exhibited a pattern of failure to provide training participants with continued long-term employment that includes wages, benefits (as well as health benefits) and working conditions that are equal to regular employees who worked the similar length of time and are doing the same type of work.

### **.04 LWDA Responsibilities**

LWDA responsibilities for work-based training consist of:

- A. Identifying a point of contact in the LWDA who will assist the business customer with questions and concerns, and provide overall support for the contract;
- B. Incorporating the employer's Training Development Plan into the IEP and identifying any other barriers or services needed;
- C. Monitoring during the training period and upon completion of the training contract;
- D. Developing policies for funding limitations;
- E. Developing policies and procedures for in-kind contributions (e.g. costs of training space or facilities at an employer's place of business used during training);
- F. Identifying during the application process how the training program will benefit individual workers participating in training (i.e., promotion, increased wage, career ladder, attainment of self-sufficiency, layoff aversion);
- G. Reviewing WIOA participant progress in the work-based training(s) and determining if supportive services are needed;
- H. Monitoring the work site upon placement of the WIOA participant after completion of training to document whether the WIOA participant is working in the agreed upon position, at the agreed upon salary, and utilizing the skills obtained through the customized training;
- I. Including a provision in the contract with the employer for contract termination due to lack of funds or lack of WIOA participant attendance in the training;
- J. Including a provision in the contract with the employer permitting LWDA, state, and federal staff to review the training records; and
- K. Creating a list of eligible providers of work-based training opportunities.

### **.05 Monitoring**

- A. LWDA and tribal entities must monitor each onsite contract for the purposes of determining that providers are in compliance with the contract, including:
  1. Payroll, time, and attendance records substantiate the amounts claimed for reimbursement; and
  2. Training, wages, hours, benefits, and working conditions are provided in accordance with the contract.
- B. LWDA and tribal staff must visit WIOA participants and their supervisors at the worksites to:
  1. Assist in job-related or personal counseling; and
  2. Provide job coaching.
- C. LWDA must monitor the performance and progress of the LWDA participant on a regular basis to determine if:
  1. Continued participation is required;
  2. Transfer to another activity is appropriate;
  3. Placement in unsubsidized employment has occurred; and
  4. Other services would be more appropriate.

### **508 TRANSITIONAL JOBS**

A transitional job is employment that provides limited work experience that is subsidized in a public, private, or non-profit sector for those individuals with barriers to employment because of chronic unemployment or inconsistent work history. These jobs are designed to:

- Enable an individual to establish a work history;
- Demonstrate work success; and
- Develop skills that lead to unsubsidized employment.

The LWDA or tribal entity may use up to 10 percent of their combined total adult and dislocated worker allotments for transitional jobs.

## **509 ON-THE-JOB TRAINING (OJT)**

On-the-Job Training (OJT) is training provided under a contract with an employer who is reimbursed a percentage of the wage rate of the participant being trained while engaged in productive work in a job. OJT is intended to successfully prepare an individual for long-term, unsubsidized employment by providing the knowledge or skills essential to meet the full and adequate performance of the job.

### **.01 Employer Reimbursements**

Employer reimbursement payments are deemed payments for taking on extraordinary costs associated with training of participants and the potentially lower productivity of the participants while in OJT. Employers are not required to document the extraordinary costs.

- A. Employers may be reimbursed 50 percent of the wage rate of OJT.
- B. LWDA and tribal entities may increase the reimbursement rate for the OJT contract up to 75 percent. LWDA and tribal entities must establish policy on when the wage reimbursement may be increased from 50 percent to 75 percent for on-the-job training.
- C. DES or the LWDA and tribal entities must take into consideration the following factors when considering an increase to the OJT reimbursement rate up to 75 percent:
  1. The characteristics of the participants by taking into consideration whether they are “individuals with barriers to employment”;
  2. The size of the employer, with emphasis on small businesses;
  3. The quality of the employer-provided training and advancement opportunities; for example, if the OJT contract is in an in-demand occupation and will lead to an industry-recognized credential; and other factors that DES, the LWDA, and tribal entities determine appropriate including:

- a. The number of employees participating;
  - b. The wage and benefit level of the employee (both at present and at completion); and
  - c. The relation of the training to the competitiveness of the participant.
- D. DES may increase the wage reimbursement rate for OJT contracts funded through the statewide employment and training activities up to 75 percent. DES must document the factors used in deciding to increase the wage reimbursement rate.

## **.02 Time Limits for On-the-Job Training**

The OJT is limited in duration as appropriate to the occupation for which the WIOA participant is being trained. LWDA staff must take into account:

- A. Skill requirement of the occupation;
- B. Academic and skill level of the participant;
- C. Prior work experience; and
- D. The IEP.

## **.03 On-the-Job Training for Eligible Existing Workers**

OJT contracts may be written for eligible existing workers under the following conditions:

- A. The employee is not earning a self-sufficient wage as determined by LWDA policy; and
- B. The training relates to:
  1. Introduction of new technologies;
  2. Introduction to new production or service procedures;
  3. Upgrading to new jobs that require additional skills such as:
    - a. Workplace literacy; or

- b. Other appropriate purposes identified by the LWDA or tribal entity.

#### **.04 On-the-Job Training and Registered Apprenticeship Programs**

- A. OJT contracts may be written with Registered Apprenticeship programs or participating employers in the Registered Apprenticeship program to cover the on-the-job training portion.
- B. ITAs can be combined with on-the-job contracts when placing participants into Registered Apprenticeship programs.
- C. OJT contracts with Registered Apprenticeship programs must be consistent with other OJT requirements in this policy including those for existing workers in section 509.03.

### **510 CUSTOMIZED TRAINING**

Customized training is designed to meet the specific needs of an employer or groups of employers who are committed to employ, or continue to employ, an individual upon successful completion of the program, for which the employer pays a significant portion of the training, as determined by the LWDA or tribal entity.

#### **.01 Customized Training Requirements**

- A. Employers must apply for customized training funds from the LWDA. Funds will be awarded based on the local availability of WIOA funds at the time of the application.
- B. Once the LWDA awards funds, a business has up to one year to complete the approved training program. LWDAs and their business partners are encouraged to conduct and complete training as soon as feasible.
- C. Training must not be authorized under the Customized Training Program due to the availability of training elsewhere includes:
  1. New employee orientation;
  2. Soft-skills training including, but not limited to:
    - a. Job search skills;

- b. Résumé writing; or
- c. Interviewing techniques;
3. Adult Basic Education (e.g. High School Equivalency (HSE) preparation; or Remedial Courses in Reading, Mathematics, or Language Arts);
4. English for Speakers of Other Languages; and
5. Training that relates to human resources functions such as diversity, sexual harassment, and employment terminations.

## **.02 Employer Cost of Customized Training**

Employers are required to pay a significant portion of the cost of customized training, as determined by the LWDA.

- A. The LWDA or tribal entity must take into consideration the following factors when determining the significant portion of the cost of training to be paid by the employer:
  1. The size of the employer; and
  2. Other factors the LWDA or the tribal entity determines appropriate, which may include the:
    - a. Number of employees participating in the training;
    - b. Wages and benefit levels of the employees (at present and upon completion of the training);
    - c. Relation of the training to the competitiveness of the participant; and
    - d. Availability of other employer-provided training and advancement opportunities.
- B. In the case of customized training involving an employer located in multiple local areas in the state, DES will determine the significant portion of the training cost to be paid by the employer.

### **.03 Customized Training for Existing Eligible Workers**

Customized Training contracts may be written for eligible existing workers under the following conditions:

- A. The employee is not earning a self-sufficient wage as determined by LWDA policy; and
- B. The training relates to:
  - 1. Introduction of new technologies;
  - 2. Introduction to new production or service procedures;
  - 3. Upgrading to new jobs that require additional skills such as:
    - a. Workplace literacy; or
    - b. Other appropriate purposes identified by the LWDA or tribal entity.

## **511 INCUMBENT WORKER TRAINING**

Incumbent Worker Training is designed to meet the special needs of an employer (including a group of employers) to retain a skilled workforce or avert the need to lay off employees by assisting the workers with skills needed to retain employment. Incumbent Worker Training is conducted with a commitment by the employer to retain or avert the layoff of the incumbent worker trained.

### **.01 Incumbent for Eligibility Requirements**

To qualify as an incumbent worker, the individual must:

- A. Be employed;
- B. Meet the Fair Labor Standards Act for an employer-employee relationship; and
- C. Have an established work history for at least six months with the employer.

### **.02 Incumbent Worker Training Funds**

- A. The LWDA or tribal entity may reserve up to 20 percent of total adult and dislocated worker allotments for incumbent worker training.
- B. DES may use statewide activities funds and Rapid Response funds for statewide incumbent worker training activities.
- C. Employers participating in incumbent worker training must pay the non-federal share of the cost of providing the training to their incumbent workers. The LWDA or tribal entity must determine the non-federal share of such cost by taking into consideration factors such as:
  - 1. The number of employees participating in the training;
  - 2. The wage and benefit levels of the employee (at the beginning and anticipated upon completion of the training);
  - 3. The relationship to the competitiveness of the employer and the employees; and
  - 4. The availability of other employer-provided training and advancement opportunities.
- D. The non-federal share must not be less than:
  - 1. Ten percent of the cost for employers with not more than 50 employees;
  - 2. Twenty-five percent of the cost for employers with more than 50 employees but not more than 100 employees.
  - 3. Fifty percent of the cost for employers with more than 100 employees.

## **512 CREDENTIALS**

Credential attainment can assist youth and adults in leveraging new skills to obtain employment, increase earnings, and compete in the labor market. Arizona recognizes two types of credentials: federally-recognized credentials and locally-recognized credentials.

Training programs must result in either a federally-recognized credential or locally-recognized credential to be approved for the Eligible Training Provider List

(ETPL). The ETPL consists of programs approved for use by Workforce Investment and Opportunity Act Title I-B Adult and Dislocated Worker program participants.

Local Workforce Development Area (LWDA) ETPL approvers must use the Training Program Credential Checklist (Exhibit 600A) to determine if a particular training program meets the definition of a locally-recognized or federally-recognized credentials.

### **.01 Federally-Recognized Credentials**

Federally-recognized credentials are awarded in recognition of individual attainment of measurable technical or occupational skills necessary to obtain employment or advance in an occupation. Additionally, they are an attestation of qualification or competence issued to an individual by a third party (such as an educational institution or an industry or occupational certifying organization) with the relevant authority or assumed competence to issue such a credential. Training programs that result in federally-recognized credentials may be listed on the ETPL.

### **.02 Types of Federally-Recognized Credentials**

Federally-recognized credentials include the following:

- A. Educational credentials include diplomas, degrees, and certificates. Credit hours are the building blocks for education credentials. Types of educational credentials include the following:
  - 1. High school diploma;
  - 2. GED or High School Equivalency (HSE);
  - 3. Educational certificates;
    - a. Certificates must be based on credit hours.
    - b. Educational certificates are awarded after completion of an organized program of study at the postsecondary level, not a single course.

- c. Educational certificates must be recorded in AJC as Other Recognized Diploma, Degree or Certificate.
  - d. Certificates of completion may be educational certificates if they are based on credit hours and awarded for the completion of an organized program of study, not a single course. Certificates of completion that do not meet this definition must not be considered a federally-recognized credential. Certificates of completion that are awarded after successful completion of a training programs that prepares students to take occupational license and personnel certification examinations must also not be considered federally-recognized credentials (see Section 512.02.B.2 and 512.02.B.3).
4. Associate’s diploma/degree;
  5. Bachelor’s diploma/degree; and
  6. Postgraduate degree, such as Master and Doctoral degrees.

High School Diploma, GED and High School Equivalency (HSE) are only counted as federally-recognized credentials for WIOA Adult, Dislocated Worker and Youth credential rate performance measures, if the participant has retained or obtained employment or is in an education or training program leading to a recognized postsecondary credential within one year after exit from the program.

#### B. Industry Recognized Credentials

1. Registered Apprenticeship Certificates issued by a Registration Agency, either the State’s Apprenticeship Office or the U.S. Department of Labor. For more information on Arizona’s Apprenticeship Office, see <https://www.azdes.gov/apprenticeship/>:

- a. Interim credentials may be developed from an approved set of apprenticeship standards for the occupation. They are portable recognition of an apprentice's accomplishments and are issued based on recognized components of an apprenticeable occupation.
  - b. Registered Apprenticeship Certificates must be recorded under the Other Recognized Diploma, Degree and Certificate category on the Outcome page in AJC.
2. Occupational Licenses are granted by state and federal agencies or regulatory bodies and are required for an individual to work in the occupation. Examples of Occupational Licenses include cosmetology licenses, massage licenses, commercial driver's licenses, or nursing licenses (see <http://www.careeronestop.org/toolkit/training/find-licenses.aspx>). Characteristics include:
- a. They are defined by laws and regulations and are intended to set professional standards and ensure safety and quality;
  - b. Time-limited occupational licenses must be renewed based on meeting ongoing requirements;
  - c. Violations of the terms of the license may result in legal action;
  - d. Completion of a program of study that prepares an individual for an occupational license is not a credential;
  - f. Occupational Licenses may be required in addition to other credentials. The credential for completing the educational program must only be recorded in AJC if the participant successfully received an Occupational

License as the license is required to work in the occupation.

### 3. Personnel Certification

Personnel Certifications attest that the individual has attained the necessary knowledge and skill to perform a specific occupation or skill. Characteristics include:

- a. It must be industry-recognized or result in a professional association certification;
- b. It is granted by third party non-governmental agencies, usually associations or businesses;
- c. It is intended to set professional standards for qualifications, such as a certification for a crane operator or a Novell Network Certified Engineer;
- d. It usually requires successful completion of an examination or assessment of the individual's knowledge and skills through an examination or assessment provided by a certifying body.
- e. It usually requires a set amount of work experience or professional/technical experience;
- f. It must usually be renewed after a certain time period; and
- g. Violation of standards or requirements may result in suspension or revocation of the certification.

For a list of Personnel Certifications and certifying agencies, see <http://www.careeronestop.org/EducationTraining/Find/certification-finder.aspx>

Completion of a training program that prepares a participant for an assessment or test that results in an Occupational License or a Personnel Certification is not a federally-recognized credential. The credential must only be recorded under the Outcomes screens in AJC after the participant successfully completes the test and receives his/her certificate or license.

### **.03 Career Enhancing Attributes**

LWDAs are encouraged to approve training programs that result in federally-recognized credentials that have career enhancing attributes: Four attributes that add value to a credential include:

1. Industry-Recognized

An industry-recognized credential is one that either is developed and offered by, or endorsed by, a nationally-recognized industry association representing a sizeable portion of the industry sector; or a credential that is sought and accepted by companies within an industry sector for the purposes of hiring or recruitments which may include credentials from vendors of certain products.

2. Stackable

A credential is considered stackable when it is part of a sequence of credentials that can be accumulated over time to build up an individual's qualifications and help them to move along a career pathway or up a career ladder to different and potentially high paying jobs.

3. Portable

A credential is considered portable when it is recognized and accepted as verification of the qualifications of an individual in other settings; either in other geographic areas, at other

educational institutions, or by other industries or employing companies.

4. Accredited

Accreditation helps to ensure that an educational program that is provided by an institution of higher education meets acceptable levels of quality.

**.04 Locally-Recognized Credentials**

Locally-recognized credentials are obtained after completing a training that has been determined by the LWDA to not result in a federally-recognized credential but to be of value due to being required by local employers and to result in employment. Locally-recognized credentials include the following:

- A. A certificate of completion awarded by the LWDA after successful completion of work-based training including, on-the-job training, customized training, incumbent worker training and transitional jobs. Work-based training is not included on the ETPL. The certificate may be issued by a local training provider indicating the successful completion of a training program.
- B. A certificate awarded to youth after a successful completion of a work experience. Work experience is an individualized career service and is not listed on the ETPL.
- C. A certificate of completion received upon successful completion of a program based on competencies and curriculum that are developed in partnership with employers within the LWDA. Training programs that result in this type of locally-recognized credential may be approved to be listed on the ETPL. This certificate of completion must:

- Result from a valid, objective assessment;
- Be based on significant vocational content;
- Be portable from one employer or region in the state to another; and
- Be meaningful to employers.

Locally-recognized credentials are excluded in the performance reporting of the credential measure, as they are not federally-recognized. However, outcomes for the other performance accountability measures will count towards performance as appropriate.