



Workforce Development System Technical Advisory



March 12, 2002

Workforce Development System Technical Advisory #01-05.1

- TO:** Chairpersons of Local Workforce Investment Boards
Chief Elected Officials
WIA Grant Recipients
WIA Fiscal Agents
WIA Local Area Contacts
- SUBJECT:** **REVISED INFORMATION** - Customized Training Costs
- Reference:** Workforce Investment Act Section 101(8), and Workforce Investment Act Final Rule Section 663.715 and Section 663.720
- Purpose:** To **PROVIDE CLARIFICATION** of state policy guidance on the types of costs that may be covered as part of a program of customized training. Clarification is noted in bold font.
- Background:** Section 101(8) of the Workforce Investment Act and Section 663.715 of the Final Rule define "customized training" as training that is designed to meet the special needs of an employer (or group of employers), that is conducted with a commitment by the employer to employ, or in the case of incumbent workers, continue to employ, an individual upon successful completion of the training, and for which the employer pays not less than 50 percent of the cost of the training. Section 663.720 further clarifies that customized training for employed workers may only be provided for employees that are not earning a self-sufficient wage as determined by Local Board policy.
- Nowhere in these sections is there found any description of what constitutes the cost of this type of training. The lack of clarity in this regard can lead to a myriad of local interpretations and result in inconsistent treatment of the training needs of businesses by the various local workforce areas across the state. To avoid this pitfall, and to ensure that programs of customized training are being addressed uniformly throughout the state and are consistent with New York State's own Strategic Training Alliance Program (STRAP) and other OJT type programs, the following policy and guidance has been developed.
- Action:** It is the policy of the New York State Department of Labor that the costs of a customized training program should be inclusive of all legitimate costs to the business which are necessary to allow for the provision of such customized training program services.
- Under such policy, the 50% cost of training could include such elements as: cost of the instruction, cost of the instructor, cost of curriculum development associated with the training course, training materials and books as needed for the course, etc... **The wages of the employees being trained, while they are participating in customized training, may be used towards meeting the match requirement for the training but may not be paid for with WIA funds.** The purchase of equipment, administration and the renovation of facilities are not allowable costs. The above list is not intended to be all inclusive as there may be other legitimate costs that can be substantiated by the business as necessary to allow for the conduct of the training program. Local Boards should establish local policy/guidance on what constitutes an appropriate match using the above policy as a guide to ensure a consistent and fair policy within their local area.
- In developing this policy, it is the Department's intention to ensure that businesses engaging the services of the workforce development system are afforded consistent treatment under the various programs that are available to them. Common definitions and consistent treatment of costs are an important facet of such an approach.