



## WORKFORCE RECOVERY AND TRAINING SERVICES ACT OF 2020 WHAT EMPLOYERS NEED TO KNOW

**New funding.** Significant new funds for training and other employment services to help displaced workers and other adults get back to work or retrain for a new post-Covid economy. Sen. Daines proposes \$3.5 billion for FY 2020 through FY 2022. Negotiations sure to come.

**The public workforce system.** Money flows through the public workforce system. The usual WIOA funding formula determines each state's share, then governors determine distribution among local areas. Local one-stop centers determine which individuals are eligible for employer-provided or employer-sponsored training, but the criteria seem flexible.

**More training, less overhead and administration.** Requires that at least 50 percent of funding disbursed by local workforce boards be spent on training, not administrative costs or other services.

**Aligned with employer needs.** Specifies that spending by local workforce boards should provide training services aligned with the needs of local industry and recognized by employers.

**Short-term training.** Allows local workforce boards to use funding for short-term training in fields with Covid-related shortages and for current employees who need retraining or who seek to move from transitional jobs to permanent employment.

**Hardest hit areas first.** First priority is parts of the state significantly impacted by the coronavirus, but 80 percent of funds are available for use more widely.

**Time-limited.** Local areas have a year to spend the money, the governor has two years – use it or lose it.

**Employer-provided training.** There is new flexibility and increased funding for three types of employer-provided training currently eligible to receive WIOA funding.

- *On-the-job training.* Usually for new hires, time-limited. The workforce system generally reimburses 50 percent of trainees' wages. WRTSA makes additional funding available. Also expands allowable reimbursement to 75 percent of wages.
- *Customized training.* Usually delivered by a third-party training provider, often a community college, to an employer's specifications. The workforce system can cover

a portion of the cost. WRTSA makes additional funding available. Also makes the decision about what portion of the cost can be covered more flexible, allowing for more help where Covid is a factor.

- *Incumbent worker training.* For existing employees, often more qualified workers. The workforce system is allowed to cover 50 to 90 percent of the cost. WRTSA makes additional funding available.

**Employer-sponsored individual training accounts.** A new concept. Traditional individual training accounts (ITAs) are a form of voucher issued by the local one-stop center to individuals eligible for training – vouchers that can be used only for services by a limited set of eligible training providers.

Employer-sponsored individual training accounts would require an employer match – not less than 10 percent of training costs for small businesses and not less than 20 percent for other employers.

The vouchers could be used to cover training offered by any entity capable of providing the required upskilling – whether that entity is on the eligible training provider list or not.

Funding restricted to current employees, but can include new hires and employees in Covid-related transitional jobs who are seeking permanent employment.

**Public-private partnerships.** Additional funding for online programs offered by public-private partnerships, including sector partnerships that bring several employers together with local educators and other officials. Programs should lead to industry-recognized credentials in high-skill, high-wage or in-demand sectors or occupations. Funding available to cover the cost of certification tests.

**Technology.** Significant emphasis on online career and training services. Funding may be used to expand online learning providers, assist with the purchase of new technology and increase access to technology, including broadband service and devices that enable individuals to receive online training.