

## DECLARATION OF EMERGENCY

### Department of Economic Development Economic Development Corporation

Workforce Development and Training Program—Workforce Development  
(LAC 19:VII.Chapter 81)

The Department of Economic Development, Economic Development Corporation, is exercising the emergency provision of the Administrative Procedure Act, R.S. 49:953(B), to promulgate emergency rules of the Louisiana Workforce Development and Training Program effective immediately. These rules will prescribe in accordance with LAC 19:VII.Chapter 81. This emergency rule shall remain in effect for a period of 120 days or until a final rule is promulgated, whichever occurs first.

The Economic Development Corporation is exercising the emergency provision of the Administrative Procedure Act, R.S. 49:953(B), in order to publish these rules because of a recognized immediate need to assist small- and medium-sized businesses with customized workforce training programs in order to create and retain jobs statewide.

Without these emergency rules, the public welfare is likely to be harmed as a result of likely disruptions in the state's workforce due to an absence of training assistance for continued employment and job retention. Such disruption would likely result in diminished job creation and increased risk of higher unemployment.

The proposed emergency rules are intended to mitigate the disruptions described above.

#### Title 19

### CORPORATIONS AND BUSINESS

#### Part VII. Economic Development Corporation

#### Subpart 7. Workforce Development and Training Program

#### Chapter 81. Workforce Development

##### §8101. Purpose

The purpose of the program is to develop and provide customized workforce training programs to existing and prospective Louisiana businesses as a means of:

1. improving the competitiveness and productivity of Louisiana's workforce and business community;
2. upgrading employee skills for new technologies or production processes; and
3. assisting Louisiana businesses in promoting employment stability.

AUTHORITY NOTE: Promulgated in accordance with R.S. 51:2331 et seq.

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Economic Development Corporation, LR 23:

##### §8103. Definitions

*Applicant*—the entity requesting training assistance from LEDC under this program.

*Award*—funding approved under this program for eligible training activities.

*Awardee*—an applicant [and/or company(ies)] receiving a training award under this program.

*Contract*—a legally enforceable agreement between LEDC, the applicant and a monitoring entity governing the terms and conditions of the training award.

*Contractee*—the applicant and monitoring entity that are party to a training award contract with LEDC under this program.

*Labor Demand Occupation*—an occupation for which there is, or is likely to be, greater demand than supply of adequately trained workers.

*LEDC*—the Louisiana Economic Development Corporation.

*Monitoring Entity*—a public or not-for-profit entity contracted to monitor the compliance of an awardee with the terms and conditions of a training award contract, and to reimburse the awardee for eligible training costs.

*Program*—the Workforce Development and Training Program.

*Subprogram*—the different components of the Workforce Development and Training Program, including, but not limited to, Pre-Employment Training, On-The-Job Training, Workplace-Based Retraining and Quality Standards Training.

AUTHORITY NOTE: Promulgated in accordance with R.S. 51:2331 et seq.

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Economic Development Corporation,

LR 23:

### **§8105. General Principles**

The following principles will direct the administration of the Workforce Development and Training Program:

1. training awards are not to be construed as an entitlement for firms locating or located in Louisiana;
2. awards must reasonably be expected to be a deciding factor in firms' location and/or investment decisions;
3. the retention and strengthening of existing businesses will be evaluated using the same procedures and with the same priority as the recruitment of new businesses to the state;
4. award amounts will not exceed the anticipated economic benefits to the state;
5. appropriate cost sharing between project beneficiaries will be required;
6. awards will be coordinated with the existing plans and programs of other government agencies whenever appropriate; and
7. a train-the-trainer approach will be adopted whenever appropriate in order to strengthen the institutional capacity of public and private sector training providers.

AUTHORITY NOTE: Promulgated in accordance with R.S. 51:2331 et seq.

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Economic Development Corporation, LR 23:

### **§8107. Subprogram Descriptions**

A. Pre-Employment Training. This subprogram provides training assistance for companies seeking an applicant pool of prospective employees who possess sufficient skills to perform the jobs to be created by the companies. Prospective employees are identified and recruited for training with the knowledge that the company will hire a subset of the trainees.

B. On-The-Job Training. This subprogram provides training assistance for companies seeking to continue the process of developing the skills of employees hired under the Pre-Employment Training subprogram. The skills to be developed must be the same skills for which training was provided under the Pre-Employment Training subprogram.

C. Workplace-Based Retraining. This subprogram provides training assistance for companies seeking to upgrade the skills of existing employees in response to technological advances or improved production processes.

D. Quality Standards Training. This subprogram provides training assistance for companies seeking to improve the quality of a company's products and/or services and to ensure compliance with accepted international and industrial quality standards (e.g., ISO standards).

AUTHORITY NOTE: Promulgated in accordance with R.S. 51:2331 et seq.

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Economic Development Corporation, LR 23:

### **§8109. Eligibility**

A. An eligible applicant must be one of the following:

1. an individual employer that seeks customized training services to create, upgrade, or retain jobs in a:
  - a. labor demand occupation;
  - b. non-labor demand occupation to prevent job loss;
2. an employer, labor organization, or community-based organization that seeks customized training services to provide training for a labor demand occupation in a particular industry;
3. a consortium made up of one or more educational institutions and individual employers, labor, or community-based organizations that seek customized training services to provide training in a labor demand occupation;
4. An individual employer that seeks customized training for employees at a facility which is being newly developed or is being relocated from another state into Louisiana.

B. Employees to be trained must be employed in Louisiana.

C. An applicant shall be considered ineligible if it has pending or outstanding claims or liabilities relating to failure or inability to pay promissory notes or other evidence of indebtedness including state or federal taxes, or bankruptcy proceeding, or if it has pending, at the federal, state, or local level, any proceeding concerning denial or revocation of a necessary license or permit.

AUTHORITY NOTE: Promulgated in accordance with R.S. 51:2331 et seq.

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Economic Development Corporation, LR 23:

### **§8111. Criteria**

A. General (these apply to all training subprograms administered under these rules)

1. Preference will be given to applicants in industries identified by the state as target industries, and to applicants located in areas of the state with high unemployment levels.
2. Employer(s) must be in full compliance with Louisiana unemployment insurance laws.
3. Not less than 25 percent of all funds available during a fiscal year shall be available for employers with 150 or fewer Louisiana-based employees.
4. No single employer shall receive more than 10 percent of the total funds available to the program during a fiscal year.
5. Applicants must provide evidence satisfactory to LEDC of their long-range commitment to employee training as a means of enhancing their future competitiveness.

B. Pre-Employment Training

1. Applicants must create at least 10 net new jobs in the state and must assign an employee to supervise the training.
2. Participation in pre-employment training does not guarantee students a job upon completion of their training.

C. On-The-Job Training

1. On-The-Job Training awards will be available only for employees who have completed the pre-employment training program and have been hired by the applicant.

D. Workplace-Based Retraining. Applicants must request training for at least five employees.

E. Quality Standards Training. Applicants must request training for at least five employees.

AUTHORITY NOTE: Promulgated in accordance with R.S. 51:2331 et seq.

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Economic Development Corporation, LR 23:

### **§8113. Application Procedure**

LEDC will design a standard form which applicants will use to apply for assistance. The application form will contain, but not be limited to, detailed descriptions of the following:

1. an overview of the company, its history, and the business climate in which it operates;
2. the company's overall training plan, including a summary of the types and amounts of training to be provided and a description of how the company determined its need for training;
3. the specific training programs for which LEDC assistance is requested, including descriptions of the methods, providers and costs of the proposed training; and
4. quantifiable objectives for the training related to the overall performance of the company, and plans to measure the effectiveness of the training according to those objectives.

AUTHORITY NOTE: Promulgated in accordance with R.S. 51:2331 et seq.

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Economic Development Corporation, LR 23:

### **§8115. Submission and Review Procedure**

A. Applicants must submit their application to LEDC. Submitted applications will be reviewed and evaluated by LEDC staff. Input may be required from the applicant, other divisions of the Department of Economic Development, and other state agencies as needed, in order to:

1. determine whether the employer's specific needs are best met by training;
2. identify the availability of existing training programs which could be adapted to meet the employer's needs;
3. identify the resources the business can provide to support the training, including trainers, facilities, materials and equipment;
4. identify or develop appropriate curricula; and

5. determine the most cost effective approach to meet the employer's training needs.

B. A cost-benefit analysis tailored to applicants' specific industries shall be conducted by LEDC to determine the net benefit to the state of the proposed training award. Such analysis will include, but not be limited to, evaluations of:

1. the importance of the proposed training to the state and local economies;
2. the importance of the proposed training to the recruitment/retention of businesses and/or jobs in the state (factors to be considered will include the degree of technological advancement of the skills to be taught,

the transferability of those skills across companies and industries, and the wage levels of the jobs to be created and/or retained); and

3. the probability that the applicant would not undertake the proposed training without state financial assistance.

C. Upon determination that a proposal meets the eligibility criteria for this program and is deemed to be beneficial to the well-being of the state according to the cost-benefit analysis, LEDC staff will then make a recommendation to LEDC's board of directors of an appropriate amount and the conditions of the training award at the next scheduled meeting of the board.

D. The final authority to approve or reject a training award will reside with LEDC's board of directors.

E. Applicants will be notified in writing of the outcome of their application within five working days following a decision by LEDC's board of directors.

AUTHORITY NOTE: Promulgated in accordance with R.S. 51:2331 et seq.

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Economic Development Corporation, LR 23:

### **§8117. General Award Provisions**

#### **A. Award Agreement**

1. A contract will be executed between LEDC, the applicant (and/or company(ies) receiving training) and an appropriate monitoring entity from the same geographic area as the applicant. The contract will specify the performance objectives expected of the company(ies) and the compliance requirements to be enforced in exchange for state assistance, including, but not limited to, time lines for job training and job creation.

2. The monitoring entity will monitor the progress of the training and reimburse the applicant from invoices submitted by the applicant on a form approved by LEDC.

3. The cost associated with this contract incurred by the monitoring entity will be considered part of the total training award, but will not exceed five percent of the award amount.

4. Funds may be used for training programs extending up to two years in duration.

#### **B. Use of Funds**

1. The Workforce Development and Training Program offers financial assistance in the form of a grant for reimbursement of eligible training costs specified in the award agreement.

2. Eligible training costs may include, inter alia, the following:

a. Instruction Costs: wages for company trainers and training coordinators; Louisiana public and/or private school tuition; contracts for vendor trainers; training seminars;

b. Travel Costs (limited to 30 percent of the total training award): travel for trainers and training coordinators (company and other); travel for trainees;

c. Materials and Supplies Costs: training texts and manuals; audio/visual materials; skills assessment (documents or services to determine training needs); raw materials (for manufacturing and On-The-Job training); and

d. Other Costs: facility rental; wages for On-The-Job trainees (limited to 25 percent of a trainee's wage, excluding benefits); and fees or service costs incurred by the monitoring entity associated with the contract to monitor the training and to disburse award funds, as limited by §8117.A.3) above.

3. Training costs ineligible for reimbursement include:

a. trainee fringe benefits;

b. tangible property (e.g., calculators, furniture, classroom fixtures, equipment);

c. out-of-state, publicly supported schools;

d. employee handbooks; and

e. scrap produced during training.

4. Training activities eligible for funding consist of:

a. Basic Skills: literacy, numeracy, problem solving, team participation, etc.;

b. Transferable Skills: skills which will enhance an employee's general knowledge, employability and flexibility in the workplace (e.g., welding, computer skills, blueprint reading, etc.);

c. Company-Specific Skills: skills which are unique to a company's workplace, equipment and/or capital investment;

d. Quality Standards Skills: skills which are intended to increase the quality of a company's products and/or services and ensure compliance with accepted international and industrial quality standards (e.g., ISO standards); and

e. Pedagogical Skills: skills which pertain to instructional methods and techniques to be used by trainers

(these are most relevant to train-the-trainer activities).

C. Amount of Award

1. Pre-Employment and On-The-Job Training. The training award amount shall cover up to 100 percent of the eligible training costs, not to exceed \$500,000.

2. Workplace-Based Retraining and Quality Standards Training. The training award amount shall cover up to 50 percent of the eligible training costs, not to exceed \$500,000.

D. Conditions for Disbursement of Funds

1. Funds will be available on a reimbursement basis following submission of approved invoices to LEDC. Funds will not be available for reimbursement until a training agreement between the applicant (and/or company(ies) receiving the training) and an approved training provider has been executed.

2. Fifty percent of the training award will be available for reimbursement of eligible costs until the awardee(s) has achieved 75 percent of its contracted performance objectives.

3. Once the awardee(s) has achieved 75 percent of its contracted performance objectives, an additional 25 percent of the grant award will be made available for reimbursement. After the company has achieved 100 percent of its contracted performance objectives, the remaining 25 percent of the grant award will be made available for reimbursement.

E. Compliance Requirements

1. Contractees shall be required to complete quarterly reports describing the progress towards the performance objectives specified in their contract with LEDC.

2. The termination of employees during the contract period who have received program-funded training shall be for documented cause only, which shall include voluntary termination.

3. In the event a contractee fails to meet its performance objectives specified in its contract with LEDC, LEDC shall retain the rights to withhold additional award funds and to reclaim disbursed funds from the applicant in an amount commensurate with the scope of the unmet performance objectives and the foregone benefits to the state.

AUTHORITY NOTE: Promulgated in accordance with R.S. 51:2331 et seq.

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Economic Development Corporation, LR 23:

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