

CONSTRUCTION INDUSTRY TRAINING PROGRAM

July 28, 2011

- **Background**

The construction industry and the Iowa Department of Transportation understand the importance of maintaining qualified employees in the construction workforce. Better trained more qualified workers produce a higher quality product for all. Experienced workers retire, and skilled people to replace them are difficult to find. As a result, training of current and prospective employees is increasingly important. The Construction Industry Training Program was developed to help the industry address some of the costs associated with this training, and to help ensure that skilled employees will be available to build high quality projects that the travelling public expects.

- **Funding**

Funds are made available from the highway portion of the Iowa DOT's Five Year Program. The five-year program includes \$500,000 annually for the Construction Industry Training Program. This amount is approximately one tenth of one percent of the total annual program.

This money will be available for use by all contractors, prime or sub that perform work on projects let by the DOT. The total annual amount programmed will be apportioned to each contractor at the rate of one tenth of one percent based on the net dollar amount of work awarded to that contractor from all work bid through the Office of Contracts in the previous fiscal year.

For example:

XYZ Contracting FY 2010 work - includes all work bid through the Office of Contracts

Prime Contracts Awarded:	\$4,000,000
Work subcontracted out to others (-):	\$1,000,000
Subcontract work done for others (+):	<u>\$2,000,000</u>
Net work	\$5,000,000

$(\$5,000,000) \times (0.1\%) = \$5,000$

So XYZ Contracting has \$5,000 available for training from the FY 2011 Construction Industry Training Program.

Each contractor will be allowed to accumulate two years worth of funds. Money will be used on a first in – first out basis. At the end of the second fiscal year any unused funds from the first fiscal year will be available in a general fund for any contractor to use on a first-come first-served basis. At the end of the third fiscal year the unused funds will be returned to the highway construction program. Funds become available or are removed on a quarterly basis.

Upon written request to the DOT, contractors may designate a portion of their funds to other firms (e.g. suppliers or other contractors).

Contractors may elect to use an annual maximum of \$1,000 to participate in the AGC of Iowa's Career Center internet employment recruiting and application tool. Third fiscal year general fund monies are not available for this.

The IDOT will be responsible for tracking and reporting the fund balance. Contractors may contact the Office of Contracts, EEO Section, to determine their current available balance. The Department will provide a quarterly report listing the training dollars earned by each contractor for the previous two fiscal years and the current fiscal year to date, and the training expenditures for each contractor.

- **Eligibility**

- A. General

- The following is general guidance regarding the eligibility and administration of the program. The Department reserves the right of final determination of eligibility to achieve the goals of the program and administrative efficiency.

- B. Training/Courses

- Training must be approved by the Department in order to be eligible for reimbursement. Course descriptions should be submitted to the Office of Contracts for approval. The Department encourages contractors and training providers to submit courses for consideration.

- The funding for this effort comes from the Iowa Department of Transportation Highway Improvement Program. This includes monies from the state road use tax fund, and federal highway funds. These funds are developed primarily from registration fees, user fees and fuel taxes. As such, use of this money should result in a measurable benefit to motorists. This can be realized through better trained contractor employees who can produce quality, longer lasting pavements, structures, earthwork and related highway features.

The intent of the program is to increase the skills of the highway contractor's laborer and skilled craft employees to enable them to produce a higher quality product for the benefit of the traveling public. Training must be targeted towards issues that are applicable to the highway construction industry or that are intended specifically to increase opportunities for females and minorities or that are directed to highway construction related safety training.

Instruction should be in a classroom setting so that attendance can be tracked. Training that is incorporated into a larger conference or convention will be considered. However, the registration and fee schedule for the training must be separate from the associated conference. Online training is not eligible for reimbursement.

While the Department envisions accepting a broad range of courses, contractors should ensure that training is approved prior to enrollment.

Training Funds may not be used for more than one attempt by a student to earn a passing grade in any particular class.

C. Trainee Participants

A prime or subcontractor's employee who works on projects awarded at the Department is eligible to participate, subject to the funding limitations addressed elsewhere.

Employees of other firms that are not prime or subcontractors, yet who still participate in DOT let projects, may also be eligible. Their participation is limited to training required by the Department to earn a certification issued by the Department. For example, material suppliers may use the fund to send their employees to training required to achieve the Department's Aggregate Technician Certification. Firms who do not have funds apportioned directly to them based on work volume are eligible for the general fund money not used by other contractors, on a first come – first served basis. See the funding section for more information.

D. Training Providers

The Department approves training courses based on their alignment with the goals of this program. The contractor is responsible to select the training provider. The Department does not approve or recommend training providers based on their skills or qualifications.

Training providers must be independent from the contractor receiving the training. A contractor's staff person training employees of that contractor, or of an affiliated contractor, is not eligible for reimbursement. Exceptions will be considered for contractor's employees who can demonstrate they have established an independent training business.

E. Eligible Costs

Trainer's Fee

The fee the trainer charges to conduct the training. This may also include the trainer's expenses for travel, meals and lodging necessary to conduct the training. It may also include the cost for training materials and facility costs if provided or coordinated by the trainer.

Training materials

The fees for books, manuals, handouts or other materials necessary for the training that are not included in the trainer's fee, if any.

Facility costs

The fees for meeting rooms or audio visual equipment needed for the training that are not included in the trainer's fee, if any

F. Ineligible Costs

Wages, travel, meals and lodging expenses of the participants are not eligible for reimbursement.

G. Minority and Female Participation

A goal of the program is that 10% of the funding will be used towards training of minorities or females. Contractor participants will enroll employees for training in accordance with their AA/EEO and training policies.

- **Reimbursement**

Upon completion of the training, the Department will reimburse one of the following entities for the eligible costs of a particular training session:

1. The Trainer

2. The Contractor

The contractor must collect all invoices associated with a particular training event and submit as a package.

3. A Third Party

With prior approval, the Department will reimburse a third party such as a trade association. The third party must be responsible for coordinating the training, collecting and reporting the necessary data, and paying the trainer or other service providers.

All requests for reimbursement must be supported by an invoice from the provider. Invoices must contain the following information.

Name of provider
Name of contractor
Name of associated class
Description of service(s) provided
Date of service
Fee

In addition the following must be provided for each class

Names of employees attending the class, by contractor
Gender and minority totals for each contractor

If the contractor's balance is insufficient to cover the amount due, the IDOT will advise the provider to invoice the contractor directly for the balance.

Contractors are responsible to verify that training is approved prior to their employee's participation in a training session.