

Relocation Inducement

SUBJECT: Relocation Inducement

REFERENCE: Section 101 and 181, 20 CFR: 667.268

BACKGROUND: The Workforce Investment Act (WIA) clearly prohibits the use of WIA Title I funds to encourage business relocation.

POLICY: No WIA Title I funds shall be proposed for use or used to encourage or induce a business, or part of a business, to relocate from any location in the United States if the relocation results in any employee losing his or her job at the original location.

Until a company has commercially operated at a new location for 120 days after a business or a part of a business has relocated from any location in the United States, no WIA Title I funds shall be used for customized training, skill training, or on-the-job training or company specific assessments of job applicants or employees, if the relocation has resulted in any employee losing his or her job at the original location.

For the purpose of this policy, the following definitions are provided:

- A relocating business is a company which moves operations, in any part, from a facility in one labor market area within the United States and its territories to a new or expanding facility in another labor market area.
- A labor market area is a geographic area within which individuals can reside and find employment within a reasonable distance (usually one-hour travel time, one way), or can readily change employment without changing their place of residence.
- Loss of employment occurs when a person no longer has a job at the original location because of the relocation. This does not include those who would have retired or quit regardless of the relocation, or those who were fired for cause.
- Commercial operations is intended to distinguish between the planning/construction and operational phases of business. The 120-day count begins on the day that items are produced for commercial distribution, not the day when construction begins.

As a prerequisite to WIA assistance, a pre-award review will be jointly completed by the local area and the business establishment to verify that an establishment which is new or expanding is not, in fact, relocating employment from another area. The review may include consultations with labor organizations and others in the affected local area(s).

The review shall document but is not limited to:

- Names under which the establishment does business, including predecessors and successors in interest.
- The name, title, and address of the company official certifying the information.
- A statement from the employer about job losses at the location being closed or transferred, the nature of the products or business being transferred, the date the facility will commence or expand commercial operations and whether WIA assistance is sought in connection with past or impending job losses at other facilities.
- A review of whether WARN notices relating to the employer have been filed.

This review, while considered evidence of due diligence, does not hold the Local Area harmless if it is subsequently shown that statutes were violated.