



Area 11: Local Policy

Incumbent Worker Training

Purpose:

The purpose of this policy is to provide funding guidance for WIOA Incumbent Worker Training (IWT) funding under the Workforce Innovation and Opportunity Act Policy Letter No. 15-23 (WIOAPL 15-23) issued through the Workforce Development Board of Central Ohio (WDBCO).

Background:

Incumbent Worker Training (IWT) under WIOA provides both employees and employers with the opportunity to develop and sustain a quality workforce and improve both participants' and companies' competitiveness. The employee needs to have a consecutive employment history with the employer for six months or more to be considered as a participant of an incumbent worker training program.

Incumbent Worker Training is one type of work-based training model and is designed to either assist workers in obtaining the skills necessary to retain employment or to avert layoffs and must increase both a participant's and a company's competitiveness. The WDBCO may use up to 20 percent of their local adult and dislocated worker formula funds for incumbent worker training. Training is provided to paid employed participants while engaged in productive work in a job that:

- (a) Provides knowledge and/or skills necessary to satisfy acceptable performance of the occupation;
- (b) Provides reimbursement to the employer for the costs of providing the training and additional supervision related to the approved customized training; and
- (c) Is limited in duration as appropriate to the occupation for which the participant is being trained.

Incumbent Worker Training is intended to meet the requirements of an employer or group of employers to retain a skilled workforce or avert the need to lay off employees lacking specific skills.

Policy:

Eligibility Requirements

Participant Eligibility

Note: Per 20 CFR 680.780, an incumbent worker does not necessarily have to meet the eligibility requirements for WIOA career and training services for the Adult or Dislocated Worker Program

For an individual to qualify for the IWT under WIOA guidelines, he/she will:

- Have enrolled with the local workforce development area WIOA Adult or Dislocated Worker programs; or
- Earn \$20.00 per hour or less; and
- Be currently employed and in need of additional training to avert a layoff or be retained with the company

Employer Eligibility

Eligible employers able to participate in IWT contracting include private-for-profit businesses, private non-profit organizations, and public sector employers. An employer will NOT be eligible to receive WIOA IWT training reimbursements if:

- The employer has any other individual on layoff from the same or substantially equivalent position
- The IWT would infringe upon the promotion of or displacement of any currently employed worker or a reduction in their hours
- The same or a substantially equivalent position is open due to a hiring freeze
- The positions are for seasonal employment
- The position is not full time (i.e. minimum of 32 hours per week)

Businesses are not allowed to participate in IWT due to past or current violations of local, state, or federal law; unfair labor practices; and other conditions identified during the initial employer assessments and reviewing contract requirements, assurances, and certifications with the local WDB director or staff. Businesses that fail to meet any of the following qualifying criteria are not eligible to receive funds for incumbent worker training:

1. Businesses must not be presently debarred, suspended, proposed for disbarment, declared ineligible, or voluntarily excluded from participation in transactions by USDOL or the state of Ohio. Below are three websites that may be helpful in checking tax, environmental compliance, and debarment status.

Federal Exclusion and Debarment Site: <http://www.sam.gov>

Ohio Department of Taxation: <http://www.tax.ohio.gov>

Business Filing Search: <http://www.sos.state.oh.us>

2. Businesses shall not have any outstanding tax liability to the state of Ohio for over six months. WDBs will require the businesses to disclose any known outstanding tax liabilities with other states prior to entering into contract. The local WDB may consider existing out-of-state violations when determining eligibility to receive incumbent worker training funds. The local WDB must document any resolution of outstanding tax liability, which may include letters from the business or from the State from which the tax liability occurred.
3. Businesses must ensure that they are not on the most recent list established by the Ohio Secretary of State that would identify them as having more than one unfair labor practice contempt of court finding.
4. Ohio businesses must have all of the approvals, licenses, or other qualifications needed to conduct business in the state and all must be current. Should this status change during the local IWT program activities and the business is disqualified from conducting business in Ohio, all training under the IWT program must cease.
5. Governmental entities, including the city, county and state, may not participate in the local IWT program. Health care providers that are operating as not-for-profit entities are the only allowable exceptions to this prohibition.
6. Businesses that have relocated to Ohio and have laid-off workers at their former location in the United States may not be considered for this program until they have been in operation at the new location for 120 days.

To verify that a business is not relocating employment from another area, a pre-award review must be undertaken and documented by the local WDB. The review must include the names under which the establishment conducts business, including predecessors and successors in interest; the name, title, and address of the company official certifying the information, and whether WIOA assistance is being sought in connection with past or impending job losses at other facilities of their company. The pre-award review should also include a review of whether appropriate notices have been filed, as required by the Worker Adjustment Retraining Notification (WARN) Act. The review may also include consultations with labor organizations and others in the affected local area(s).

7. Businesses must not have any outstanding civil, criminal or administrative fines or penalties owed to or pending in the state of Ohio.

Occupational Eligibility

IWT funding must be used on local In-Demand Occupations (IDOs) which lead to employment opportunities enabling the participant to become economically self-sufficient, benefit owning and career pathing opportunity. The IDO will contribute to the occupational development and upward mobility of the participant

At the time of completion of the IWT program, individuals must be employed in occupations that meet the following criteria:

- Hourly wage must be at or above the self-sufficiency wage or the employee’s starting wage, if starting wage was higher than the self-sufficient wage
- Occupation should be a local IDO (to be determined by WDBCO)
- The occupation must be a full-time permanent position following the training (minimum of 32 hours per week).

General WIOA Incumbent Worker Training Requirements

- WIOA IWT contracts shall not be made with employers who have previously exhibited a pattern of failing to provide IWT participants with continued long-term employment with wages, benefits and working conditions that are equal to those provided to regular employees who have worked a similar length of time and are doing the same type of work.
- When funds are available and budgeted, WIOA IWT contracts may be written for eligible individuals when:
 - The employee is not earning at least \$20.00 per hour. Priority in funding will be given to those individuals not earning a self-sufficient wage as determined by the local WDB’s Self Sufficiency Policy.
 - The IWT is necessary to meet the requirements of an employer or group of employers to retain a skilled workforce or avert the need to lay off employees by assisting the workers in obtaining the skills necessary to retain employment.
- It is expected that employers that use IWT funding will maintain the employment of the individual receiving the training as a full-time employee, provide benefits and working conditions at the same level and to the same extent as other employees working a similar length of time, and doing the same type of work for at least six months following the training.
- IWT contracts will generally not be written for low skill jobs that generally would require little or no training.
- Per WIOA regulations (20 CFR 683.200(g)), “no individual may be placed in an employment activity if a member of that person’s immediate family is directly supervised by or directly supervises that individual.” For the purpose of this policy, the term “immediate family” includes a spouse, child, son-in-law, daughter-in-law, parent, mother-in-law, father-in-law, sibling, brother-in-law, sister-in-law, aunt, uncle, niece, nephew, stepparent, stepchild, grandparent, and grandchild.
- The training provider delivering the IWT must apply to be considered by the WDB.

WIOA Incumbent Worker Training Length

The maximum time frame for an IWT is 6 months. Duration of an IWT is a function of training needed, NOT the maximum allowed under this policy. WIOA program services staff should consult with the employer and use the Occupational Information Network's (ONET) Specific Vocational Preparation Range (SVP) to determine the appropriate recommended occupational training needed.

WIOA Incumbent Worker Funding Levels

Employers participating in Incumbent Worker Training are required to pay the nonfederal share (or employer share) of the cost of providing training to their incumbent workers per the sliding scale outlined below. A maximum of \$500.00 per trained worker is permitted under this policy. The WDBCO will consider exceptions to the cap on training funds and the reimbursement schedule below. The employer share may be provided in cash or in kind and may include the wages paid by the employer to a worker while the worker is attending the incumbent worker training program.

The level of reimbursement to the employer is determined by the employer size:

50 or fewer employees= 80% of the cost of training for the employer, up to \$500.00 per Incumbent Worker participant

51-100 employees = 60% of the cost of training for the employer, up to \$500.00 per Incumbent Worker participant

101 or more employees= 40% of the cost of training for the employer, up to \$500.00 per Incumbent Worker participant

Employer size is determined by the number of employees at the time of the execution of the Incumbent Worker Training contract.

WIOA incumbent worker funds may not be used to pay for the wages of workers being trained. Funds provided under this program may be used for the cost of providing the training, including the cost of developing the training or fees for the training program or training provider.

Funding Exceptions

The WDBCO is aware that extenuating circumstances may require additional funding beyond the cap outlined in the policy and will consider exceptions based on employer input. Written requests for an exception should be submitted to the WDBCO.

Definitions:

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References:

References:

WIOA 181(a)(1)(A)

20 CFR 680.780

20 C.F.R. 680.420

20 CFR 680.770 – 680.840

20 CFR 683.200(g)

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