



## INCUMBENT WORKER TRAINING POLICY

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### Purpose.

This policy provides criteria to determine which workers, or groups of workers, are eligible for incumbent worker training services and the cost sharing required for incumbent worker training (IWT) projects. (WIOA Section 134(d)(4)). SWWDB can reserve up to 20 percent of its combined total of adult and dislocated worker allocations for incumbent worker training as described in 20 CFR § 680.790.

### Policy.

SWWDB will provide incumbent worker training that is designed to meet the special requirements of an employer (including a 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 and conducted with a commitment by the employer to retain or avert the layoff of the incumbent worker. SWWDB reserves 35% of the local adult and dislocated worker allocation to provide direct training and support services to customers of the workforce system; IWT contracts, like on-the-job training contracts, will be funded using these resources.

Incumbent worker training must increase both a participant's and a company's competitiveness. Under Section 134(d)(4) of WIOA, local boards can use up to 20 percent of their adult and dislocated worker funds to provide for the federal share of the cost of providing Incumbent Worker training. Incumbent worker training shall be conducted with a commitment by the employer to retain or avert the layoffs of the incumbent worker(s) trained.

### Incumbent Worker Eligibility Criteria

An incumbent worker must be:

1. A U.S. citizen or otherwise legally entitled to work in the U.S.;
2. Age 18 or older;
3. Meet the Fair Standards Act requirements for an employer-employee relationship (see <http://www.dol.gov/whd>, and;
4. Employed and have an established employment history with the employer for six (6) months or more (*In the event that the incumbent worker training is being provided to a cohort of employees, not every employee in the cohort must have an established employment history with the employer for 6 months or more as long as a majority of those employees being trained do meet the employment history requirement.*)

### WIOA Title 1 Enrollment:

Per 20 CFR 680.780, an incumbent worker does not have to meet the eligibility requirements for career and training services for adults or dislocated workers under WIOA, unless they also are enrolled as a participant in the WIOA adult or dislocated worker program.

### Employer Eligibility Criteria:

The following factors must be considered when determining the eligibility of employers to receive the WIOA share of funds to provide training to incumbent workers using either Adult and/or Dislocated Worker formula funds:



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1. The characteristics of the incumbent workers to be trained and how they would benefit from retention or advancement. Consideration should be given to employers who propose to train individuals with barriers to employment as defined in WIOA Section 3(24).
2. The quality of training: whenever possible, the training should allow the participant to gain industry-recognized training experience and/or lead to industry-recognized credentials and/ or an increase in wages;
3. The number of participants the employer plans to train or retrain;
4. The wage and benefit levels of participants (before and after training);
5. The occupation(s) for which incumbent worker training is being provided must be in demand;
6. The employer is:
  - a. In an in-demand industry as determined by local labor market information; or
  - b. In an in-balance industry as determined by local labor market information; or
  - c. In a declining industry, but there are compelling reasons (e.g., evidence of long-term viability of the employer) justifying investment in incumbent worker training.
7. The employer must not have laid off workers within 120 days to relocate to Wisconsin from another state;
8. The employer is current in unemployment insurance and workers' compensation taxes, penalties, and/or interest or related payment plan.
9. The employer does not have any other individual on layoff from the same or substantially equivalent position.
10. The IWT would infringe upon the promotion of or displacement of any currently employed worker or a reduction in their hours.

Each of the above factors leading to the approval of an incumbent worker training project with an employer must be documented and placed in the contract file.

### Employer Share of Training Costs:

Employers participating in incumbent worker training are required to pay the non-WIOA (non-federal) share of the cost of providing training to their incumbent workers. (WIOA Sections 134(d)(4)(C) and 134(d)(4)(D) and 20 CFR 680.820).

The employer share is based on the size of the workforce (wages paid to the participant while in training can be included as part of that share and the share can be provided as cash or in-kind that is fairly evaluated) as follows:

- At least 10 percent of the cost for employers with 50 or fewer employees
- At least 25 percent of the cost for employers with 51 to 100 employees
- At least 50 percent of the cost for employers with more than 100 employees

### Length of Training

The maximum time frame for an IWT is 6 months. The duration of an IWT is a function of training needed, NOT the maximum allowed under this policy. SWWDB staff shall consult with the employer and utilize Occupational Information Network's (ONET) Specific Vocational Preparation Range (SVP) to determine the



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appropriate occupational training needed. Using the SVP provided by ONET, the following duration times are recommended in addition to the participants past skill and experience:

| LEVEL   | TIMEFRAME            |
|---------|----------------------|
| Level 1 | <1 month             |
| Level 2 | 1 month              |
| Level 3 | >1 month - 3 months  |
| Level 4 | >3 months - 6 months |
| Level 5 | >6 months            |
| Level 6 | >6 months            |
| Level 7 | >6 months            |
| Level 8 | >6 months            |
| Level 9 | >6 months            |

### Limitations:

- WIOA IWT funds available: \$5,000 per participant.
- IWT contracts/awards are limited based on funding availability.
- IWT contracts will not be made with employers who have previously exhibited a pattern of failing to provide IWT, OJT or customized training 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.
- It is the expectation of SWWDB that companies that use IWT funding will maintain the employment of the individual receiving the training for at least six months following the training and at the same wage and benefit level of similarly situated employees.
- IWT contracts will normally not be written for low skill jobs that generally would require little or no training.
- IWT contracts should only be awarded to companies in industries that are identified as driver industries in the Southwest Wisconsin Workforce Development area or with occupations that are high demand.
- 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.
- **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, tuition and fees for the training program or training provider, and/or instructor costs.



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- Funds provided to employers for work-based training cannot be used to directly or indirectly assist, promote, or deter union organizing.
- Funds provided to employers for incumbent worker training cannot be used to directly or indirectly aid in the filling of a job opening which is vacant because the former occupant is on strike, or is being locked out in the course of a labor dispute, or the filling of which is otherwise an issue in a labor dispute involving a work stoppage.
- Funds cannot be used to support occupations that are temporary or seasonal.
- Employment agencies are not an eligible employer under this policy.
- Incumbent worker training reimbursement will not be provided for training in occupations that are less than full-time (40 hours a weeks).
- Extenuating circumstances may require additional funding and time beyond the cap outlined in this policy. Exceptions may be considered based on employer input.

The Chief Executive Officer (CEO) shall ensure that procedures and systems are established and maintained to ensure that incumbent worker training remains a relevant and accessible option to employers. The Business Services Coordinator, under the direction of and in consultation with the CEO, shall be operationally responsible for the provision and documentation of Incumbent worker training contracts and track IWT contracts in Salesforce an on ASSET (when the trainee is enrolled in the WIOA adult or dislocated worker program).

SWWDB shall require all WIOA service providers and grantees receiving funds from a WIOA grant or contract administered by SWWDB to comply with this policy and applicable procedures. Compliance will be monitored during regular file reviews and annual monitoring. Service provider compliance to this policy will be considered during contract negotiations and renewal.

Reference: Workforce Innovation and Opportunity Act (WIOA) of 2014, Section 3 (24) and Section WIOA Section 134(d)(4).  
 DOL WIOA Final Rules Section, 20 CFR 680.780 to 680.840  
 Part 200 - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards 2 CFR 200.306

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Policy Revised: