



Incumbent Worker Training Policy **Effective: July 1, 2023**

I. PURPOSE:

The purpose of this policy is to provide eligibility and funding guidance to employers for training activities associated with incumbent workers. Funding is available to the North Central Workforce Board through Incumbent Worker Training (IWT) dollars under the Workforce Innovation and Opportunity Act (WIOA).

II. REFERENCES:

- Workforce Innovation and Opportunity Act of 2014 (WIOA or Opportunity Act), Public Law (Pub. L.) 113-128, enacted July 22, 2014.
- Workforce System Guidance (WSG) No. 06 - PY 2015, April 1, 2016.

III. BACKGROUND:

Under WIOA, Incumbent Worker Training (IWT) provides both workers and employers with the opportunity to build and maintain a quality workforce and increase both the workers' and the employer's competitiveness as well as the ability to retain employment or avert layoffs.

IV. DEFINITIONS:

An **"Incumbent Worker"** is defined as an individual who is employed, meets Fair Labor Standards Act requirements for an employer-employee relationship, and has an established employment history with the employer for six (6) months or more.

Incumbent Worker Training is defined as training provided to an incumbent worker that is designated to meet the needs of an employer(s) to retain a skilled workforce or avert the need to lay off employees; increase the competitiveness of the employer or employee; and be conducted with a commitment by the employer to retain or avert the layoffs of the incumbent worker trained. Such training may also include the up-skilling of an employer's current workforce, which may lead to additional opportunities for job potential job seekers. Note: IWT must lead to an in-demand occupation (as determined at the local level), but does not necessarily have to lead to a HPO. However, as all high-priority occupations are also in-demand occupations, such occupations are eligible for incumbent worker training.

A maximum of 20% of the overall WIOA adult and dislocated worker funds allocated to the local area may be reserved and spent on incumbent worker training.

In-Demand Industry Sector is an industry sector that has a substantial current or potential impact (including those jobs that lead to economic self-sufficiency and opportunities for advancement) on the

state, regional, or local economy, as appropriate, and that contributes to the growth or stability of other supporting businesses, or the growth of other industry sectors.

In-Demand Industry Occupation is an occupation that currently has or is projected to have a number of positions (including positions that lead to economic self-sufficiency and opportunities for advancement) in an industry sector so as to have a significant impact on the state, regional, or local economy, as appropriate.

V. POLICY:

Guidelines and Application:

Guidelines for Incumbent Worker Training (IWT) have been established and are incorporated into this policy. Likewise, an application has also been developed and is hereby incorporated into this policy. Both documents can be found on our website at workforcesolutionspa.com. Direct link: <https://www.workforcesolutionspa.com/categories/business-solutions/pages/incumbent-workers-hello>

Eligibility Criteria

A. Employer. Workforce Solutions has defined employers eligible to receive WIOA incumbent worker funds as:

Private-for-profit businesses, private non-profit organizations, and public sector employers.

An employer will NOT be eligible to participate in IWT contracts if:

1. The employer has any other individual on layoff from the same or substantially equivalent position.
2. The IWT would infringe upon the promotion of or displacement of any currently employed worker or a reduction in their hours.
3. The same or a substantially equivalent position is open due to a hiring freeze.
4. The positions are for seasonal employment.
5. The employer is a private for-profit employment agency, i.e. temporary employment agency, employee leasing firm or staffing agency.
6. The position being trained for is not full time, i.e. minimum of 32 hours per week. (unless the position lead to a full time position).
7. The employer has laid off workers within 120 days to relocate to Pennsylvania from another state.
8. The employer is not current in unemployment insurance and workers' compensation taxes, penalties, and/or interest or related payment plan.

B. Incumbent Worker (Employee). All incumbent workers being trained must:

1. Be employed by the company requesting the training;
2. Be residents of Pennsylvania;
3. Meet the Fair Labor Standards Act requirements for an employer-employee relationship; and
4. Have an established employment history with the employer for six (6) months or more – **prior to the start of training.**

Training

Training can be provided through community and technical colleges, vocational-technical centers, state colleges and universities, licensed and certified private entities/institutions, industry specific consulting or training organizations, professional associations, or credentialing entities, or the business itself (through in-house trainers). If in-house training is provided, it must be for training to support new skills that will make the employer more competitive or avert layoffs.

When contracting directly with training providers for incumbent worker training on behalf of employers, Workforce Solutions must ensure the terms of the procurement are allowable, consistent, and at a reasonable cost, and procured with Workforce Solution's Procurement Policy.

In-house Training: When in-house training is provided by an employee of the employer, the reimbursement amount is based on the employer share calculation. For example, the employer purchases new machinery, but now must train staff on its use. One employee has been trained to use it, and has the capacity and skill to train others, but calculations indicate it will be costly to devote that employee to the task because they would not be able to perform their own job while training staff. That employee's wages when providing the training would be included in the cost of training and therefore, part of the cost share calculation.

Employer Secured Training: When the training provider is secured by the employer, procurement is not required. Workforce Solutions enters into an agreement with the employer to reimburse for the WIOA federal share of the cost of the training. The agreement with the employer must document, at a minimum:

- The training being provided.
- That the cost is reasonable for what is being provided.
- The approximate dollar amounts, both paid by the employer and paid by Workforce Solution's for the federal share.

Reporting Requirements

Incumbent workers being served through incumbent worker training who are not enrolled in WIOA Adult or Dislocated Worker programs are not included in the WIOA performance indicator calculations for state outcomes. However, Workforce Solutions is still required to report certain data elements on all individuals who received only incumbent worker training. Such elements may include demographic information and the elements needed to calculate performance indicators including: employment, earnings, measurable skill gains, credential attainment and last date of training (to be considered exit date). Social Security numbers will also be requested and all communication will follow our Personally Identifiable Information (PII) policy. This information is requested only if an award is made. See Attachment A.

Application Evaluation Criteria

An evaluation team will take into consideration the following award criteria while evaluating applications:

1. Extent to which proposed training is aligned with the vision and goals of Workforce Solutions as established in the local and regional workforce plans.

2. The characteristics of the incumbent workers to be trained will be considered.
3. The extent to which the participants will benefit from the training – at the minimum a skills gain must be provided that will result in retention or advancement.
4. The quality of the training (e.g., industry-recognized credentials, advancement opportunities, etc.);
5. Registered Apprenticeship Training (Related Technical Instruction - RTI) is eligible for reimbursement.
6. The wage and benefit levels of participants (before and after training); with a minimum of a 3% potential increase per employee/ incumbent worker.
7. IWT training funds cannot be used to reimburse for training that has been or will be paid or supported (in whole or in part) by another local, state and/ or federal funding source including WEDnetPA funding.
8. Training cannot be a program required by local, state or federal agencies.
9. Training that is associated with layoff aversion and retention will be given priority.
10. A threshold will be established through the application process (maximum per person, maximum per company, etc.)

Employer Match Payment of Non-Federal Share. Employers receiving funds for incumbent worker training are required to pay for the non-federal share of the cost of providing such training. In accordance with WIOA Sec. 134 (d)(4) (C-D), Workforce Solutions has established the non-federal share of such cost based on the size of the workforce as follows:

- 10 percent of the cost for employers with 50 or fewer employees;
- 25 percent of the cost for employers with 51 to 100 employees; and
- 50 percent of the cost for employers with more than 100 employees.

Employer size is based on the number of employees currently employed at the local operation where the incumbent worker training placements will be made. Employer size is determined by the number of employees at the time of the execution of the incumbent worker training contract. This applies to all employers, including employers with seasonal or intermittent employee size fluctuations.

If multiple employer sites exist within a local workforce development area (LWDA): Employer agreements may be limited to physical locations within the LWDA area or the LWDA may develop one agreement with multiple locations, training descriptions and budget.

Costs that may qualify for Reimbursement:

- Training materials and supplies including manuals
- Training tuition or registration
- Instructor/trainer wages (if not included in tuition)
- Materials and supplies
- Certification/Testing
- Off-site training space (e.g., classroom rental, etc.)

Non-Reimbursable Costs:

- Trainee Wages
- Purchase of any item or service that may possibly be used outside of the training budget (to include computer equipment and non-training related software)
- Travel expenses of trainers or trainees
- Advertisement or recruitment
- Purchase of capital equipment
- Capital improvements
- Costs incurred prior to approval of IWT
- Meals, lodging or travel – (exception for lodging for trainer/instructor if necessary)
- Membership fees/dues
- Conferences

Layoff Aversion:

Funding for Incumbent Worker Training (IWT) used for averting layoffs is allowable. A layoff is considered averted when: a worker's job is saved with an existing employer that is at risk of downsizing or closing, or a worker at risk of dislocation transitions to a different job with the same employer or a new job with a different employer and experiences no or a minimal period of unemployment.

Through the application process we will determine layoff risk, and when and whether IWT is an appropriate response. Consideration will be given as to whether, absent the training, a good job will be lost or degraded, and whether the job will be retained or improved with the training.

Employers Must Agree to the following:

1. All participants shall be provided benefits and working conditions at the same level and to the same extents as other employees working a similar length of time and doing the same type of work. This will include unemployment compensation coverage where the employer is normally required to provide such coverage to its employees.
2. Employers who have financial responsibilities related to the receipt and disbursement of funding under the Agreement shall be covered by fidelity bonding.
3. The training to be provided will be in accordance with WIOA 181(a)(1)(A) and 683.275 for wage and labor standards. Worker protection requirements are set forth in WIOA Sections 181(a) (1) (A) and (B), (b) (2), (3), (4) and (5) and 188.
4. Agree to cooperate with monitoring efforts as required by WIOA legislation and adhere to all other applicable local, state and federal rules and regulations.
5. Funds are not used to directly or indirectly assist, promote or deter union organizing.
6. Workforce Solutions will reimburse the employer with receipt of actual paid invoices based on company size and award amount.
7. Employers agree to provide reporting information (i.e. wage increase, retention, etc.) to Workforce Solutions upon request and as required by the appropriate funding stream.

Conflict of Interest

A state board member, a local board member, or a standing committee member must neither cast a vote on, nor participate in any decision-making capacity, on the provision of services by such member (or any organization which that member directly represents), nor on any matter which would provide any direct financial benefit to that member or the member’s immediate family. For example, a local board member who is also an employer who wants to use services on a fee-for-service basis would be prohibited from voting to approve the use of local area services, facilities, or equipment for employment and training activities to such board member’s incumbent workers.

Neither membership on the state board, local board, or standing committee nor receipt of WIOA funds to provide training and related services, by itself, violates these conflict of interest provisions.

In accordance with §200.112 of the Uniform Guidance, recipient of federal awards must disclose in writing any potential conflict of interest. Sub-recipients must disclose in writing any potential conflict of interest to the recipient of grant funds.

VI. RECISSIONS:

None

VII. EXPIRATION:

Ongoing

VIII. INQUIRIES:

Questions shall be directed to:

Pamela Streich, Executive Director at pstreich@ncwdb.org; or
Donna Hottel, Strategic Planning and Project Manager at dhottel@ncwdb.org

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VIII. POLICY HISTORY:

Name	Date	Description of Change	Effective Date
Donna Hottel	07/01/2023	New Policy	07/01/23

**Auxiliary aids and services are available upon request to individuals with disabilities.
Equal Opportunity Employer/Program**