



## **Incumbent Worker Training Policy**

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The purpose of this policy is to provide guidance for Incumbent Worker Training (IWT) funding under the Workforce Innovation and Opportunity Act (WIOA), issued through the South Central Ohio Workforce Partnership (Area 20 Workforce Development Board). An “Incumbent Worker” is defined as an individual who has an established employment history with the employer for six months or more. Annually, based on available funds, SCOWP will determine an amount of available funds for IWT Grant awards, not to exceed 20% of the Area 20’s available WIOA Adult and Dislocated Worker funds for the Fiscal Year, as determined by the Area 20 WDB.

**Incumbent Worker Training** means training by an employer, or training provider in close partnership with an employer, provided to a paid worker while engaged in productive work in a job that:

- (a) Provides knowledge or skills essential to the full and adequate performance of the occupation;
- (b) Provides reimbursement to the employer for the costs of providing the training and additional supervision related to the 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.

### **Eligibility Requirements**

#### **Trainee 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 IWT under the WIOA guidelines, he/she will:



- Be currently employed with the same employer for six months or longer<sup>1</sup> (or be a member of a training cohort in which the majority have attained this six-month employment history); and
- Meets the Fair Standards Labor Act requirements for employer-employee relationship.
- Be 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 and health care providers that are not-for-profit entities. WIOA's IWT contracts shall not be made with employers who have previously exhibited a pattern of failing to provide IWT trainees with continued long-term employment with wages, benefits and working conditions that are equal to those provided to other employees who have worked a similar length of time and are doing the same type of work but have not received IWT.

An employer will NOT be eligible to receive WIOA IWT training reimbursements if:

- Business is presently debarred, suspended, proposed for disbarment, declined 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>
- Business has any outstanding tax liability to the state of Ohio for over six months. Business must disclose any known outstanding tax liabilities with other states prior to entering into contract.

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<sup>1</sup> The 6-month history for IWT funding is governed by sections 20 CFR 680.780 through .820 of the Final Rule.



- Businesses are on the most recent list established by the Ohio Secretary of State that identifies them as having more than one unfair labor practice contempt of court finding.
- Business doesn't have all of the approvals, licenses, or other qualifications needed to conduct business in the state and all isn't current. Should this status change during the course of the local IWT program activities and the business is disqualified from conducting business in Ohio, all training under the IWT program must cease.
- It's a governmental entity, including the city, county and state. Health care providers that are operating as not-for-profit entities are the only allowable exceptions to this prohibition.
- Business has relocated to Ohio and has laid-off workers at their former location in the United States within the previous 120 days.
- Businesses has any outstanding civil, criminal or administrative fines or penalties owed to or pending in the State of Ohio.
- 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; or

### Occupational Eligibility

IWT funding must be used on local In-Demand Occupations, which provide or lead to employment opportunities enabling the trainee to become economically self-sufficient and which will contribute to the occupational development and upward mobility of the trainee.

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

- Occupation must be listed as an In-Demand Occupation in Area 20; and
- The occupation must be a full-time permanent position following the training (minimum of 32 hours per week).



## **General WIOA Incumbent Worker Training Requirements**

- When funds are available and budgeted, WIOA IWT contracts may be written for the approved employer when:
  - 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; and
- 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.
- WIOA funds may not be used in conjunction with Ohio Department of Education customized training programs
- IWT contracts will generally not be written for low skill jobs that would require little or no training.
- IWT grants should only be awarded to companies in alignment with SCOWP's Sector Strategies.

IWT grants may be provided as ITAs (in which case, the trainer must be in the WIET - Workforce Inventory of Education and Training website) or as Customized Training Grants (in which case, the trainer must either be procured or the employer, as a “beneficiary” of IWT, may select any provider it wishes.) See WIOA PL 15-23 for more details on beneficiaries.

## **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. The OMJ|BCW Center's Business & Employer Solutions Team should consult with the employer and use the Occupational Information Network's (ONET) Specific Vocational Preparation Range (SVP) to determine the appropriate occupational training needed. Using the SVP



provided by ONET, the following duration times are *recommended*, in addition to the participant's 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 5-9	>6 months

### **WIOA Incumbent Worker Funding Levels**

Employers participating in Incumbent Worker Training are required to pay the non-federal share (or employer share) of the cost of providing training to their incumbent workers per the sliding scale outlined below. **Annually, the Area 20 Board will determine the maximum available Federal Share of funds, per trained worker.** The SCOWP 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 = 90% of the cost of training for the employer, up to \$1,000 per Incumbent Worker participant
- 51-100 employees = 75% of the cost of training for the employer, up to \$1,000 per Incumbent Worker participant
- 101 or more employees = 50% of the cost of training for the employer, up to \$1,000 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.

### **Funding Exceptions**

The SCOWP 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 SCOWP.

Changes to SCOWP's reimbursement maximum will be considered by the SCOWP for trainings in which the recipient receives an industry recognized credential or for employers providing IWT in partnership with three or more additional employers. However, percent of the cost would remain the same.

### **Procurement of Training**

A business may be considered a "beneficiary" of this federal program and receive incumbent worker training assistance on a reimbursement basis. In order for a business to utilize the beneficiary option, the following guidelines must be followed:

1. Business beneficiaries may receive reimbursement for their actual training costs incurred under this program, on a reimbursement basis, as outlined in this policy.
2. SCOWP approval of a training plan is required before reimbursement may be provided to a beneficiary. Local business service representatives or OMJ staff will assist with the development of these plans.
3. The training plan must identify all of the following:
  - a. The provider(s) of training;
  - b. Type of training;
  - c. Planned start and end dates;
  - d. Number of individuals to be trained;
  - e. The projected cost of training; and
  - f. Any other information required by the WDB



Training plans must be approved by SCOWP director or representative prior to the start date of training. Beneficiaries must agree to provide all documentation as requested by the Area 20 WDB.

### **Allowable Costs**

1. Instructor/trainer salaries;
2. Curriculum development, textbooks, manuals, training software, materials and non-consumables; and
3. Other necessary and reasonable costs directly related to training.

### **Unallowable Costs**

1. Foreign travel;
2. Purchase or lease of capital equipment;
3. Encouragement or inducement of a business or part of a business to relocate from any location in the United States;
4. Use of IWT funds to pay for a worker's training wages;
5. Use of IWT funds to train management employees in management skills such as Six Sigma and LEAN.

### **Employer Requirements**

With assistance from the OMJ Center staff, participating employers must guarantee that:

- All participants shall be provided 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. This will include unemployment compensation coverage where the employer is normally required to provide such coverage to its employees.
- The position provides the participant benefits per company policy (i.e. insurance, paid leave, profit sharing)



- Employees who have financial responsibilities related to the receipt and disbursement of funding under the Agreement shall be covered by fidelity bonding.
- The training to be provided, and worker protection requirements, will be in accordance with WIOA 181(a)(1)(A) (B), (b) (2), (3), (4), and (5) and 188, and 20 CFR 683.275 for wage and labor standards.
- The employer agrees to cooperate with monitoring efforts as required by WIOA legislation and adhere to all other applicable local, state, and federal requirements.
- Funds are not used to directly or indirectly assist, promote, or deter union organizing.
- The employer agrees to respond to OMJ Center's WIOA Title I staff requests for wage and retention information of participants.
- The employer commits to retain the trained employees for a period of a minimum of six months following the completion of training. Failure to do so may result in the employer being ineligible to receive further Area 20 WDB training funds for a minimum of one year.

## **REFERENCE**

WIOA 181(a)(1)(A)

20 CFR 680.770 – 680.840