

Incumbent Worker Training Policy

PURPOSE

The purpose of this policy is to describe the use of Workforce Innovation and Opportunity Act (WIOA) statewide and local formula funding to create incumbent worker training programs.

DEFINITIONS

Incumbent Worker Training (IWT) is a form of work-based training that is designed to ensure that employees of a company are able to acquire the skills necessary to retain employment and advance within the company, thus creating backfill opportunities for employer, or to provide the skills necessary to *avert* a layoff. It 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.

Individual vs. Participant for Reporting Purposes:

REFERENCES

Workforce Innovation and Opportunity Act of 2014 Section 122 and Section 134 [Virginia Workforce Letter No. 16-05](#)

[Virginia Workforce Letter No. 15-00](#)

POLICYACTION

It is crucial for West Piedmont Workforce Region to promote a highly-skilled and job- ready workforce that meets the needs of employers. The West Piedmont Workforce Investment Board (WPWDB) ensures that workforce development services for the existing workforce are coordinated and designed for rapid access to the range of employer assistance available through statewide and local initiatives. The WPWDB recognizes that improving the education and skill levels of the current workforce will not only improve regional economies, but will also increase the ability of businesses to effectively compete in the global market.

WIOA funds may be expended for incumbent worker training (WIOA section 133(b) (4)). WIOA funds will be made available through a process designed to assist regional businesses, which could include a single firm or a group of firms that share similar workforce needs, using a sector strategy approach to meet the skills training needs of their incumbent workforce.

A. Incumbent Worker Employee Eligibility

All employees participating in incumbent worker training must meet the eligibility below.

An incumbent worker is:

- At least 18 years of age;
- A paid, full-time employee of the applicant's business working at a facility located in Virginia;
- A citizen of the United States or a non-citizen whose status permits employment in the United States, who has registered for selective service as appropriate;
- Meets the Fair Labor Standards Act requirements for an employer- employee relationship;
- Who has an established employment history with the employer for 6 months or more; and
- Recommended by their current employer for Incumbent Worker Training in order to address changes in the necessary skills to remain in their position, to remain in their company, or avoid a layoff.

Note, if the incumbent worker is receiving WIOA Adult or Dislocated Worker services in addition to incumbent worker training, the individual must also meet the additional program specific eligibility requirements like all other adult or dislocated worker participants and will be counted in local program performance.

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 meet the employment history requirement.

Individuals receiving incumbent worker training are subject to selection for the federally mandated data validation. Therefore, documentation must be available to support incumbent worker eligibility requirements. The state has provided a tool in the following link, identifying the information that will need to be collected: <http://www.elevatevirginia.org/wp-content/uploads/2016/11/VWL-16-05- Attachment-B- Incumbent-Worker-Training-Eligibility-Documentation.pdf>

a. Funding Available

Statewide rapid response and local funds are available to provide incumbent worker training. The WPWDB may reserve and use up to 20 percent of the WIOA Title I Adult and Dislocated Worker funds allocated to the local area to pay for the Federal share of the cost of providing a training program for incumbent workers.

c. Determination Of Employer Eligibility

- Demonstration of linkages of the training activity to demand occupations and/ or regionally targeted industries;
- The positive relationship of the training to the competitiveness of an individual and the employer

- The relative wage and benefit levels of those employees (pre-training and anticipated upon completion of the training); and
- The potential state and regional economic impact, if any, of the training project.

The following documentation must be provided by the employer and copies should be placed in each participant's file:

- Copy of the "Incumbent Worker Training Program Employer Information Form";
- Copy of the Contract;
- Itemized description of cost;
- Employee's current job title and description, date of hire, and current wage.

The Governor and the Workforce Board may make recommendations to the WPMDB for providing incumbent worker training that has statewide impact. WIOA Rapid Response funds may also be used for incumbent worker training. These funds will be made available to provide Virginia businesses with early intervention to avoid layoff situations.

D. Non-Federal Share

Employers participating in the program are required to pay for the non-Federal share of the cost of providing the training to incumbent workers of the employers.

The non-Federal share shall not be less than-

- i. 10 percent of the cost, for employers with not more than 50 employees
- ii. 25 percent of the cost, for employers with more than 50 employees but not more than 100 employees; and
- iii. 50 percent of the cost, for employers with more than 100 employees

The non-Federal share provided by an employer participating in an incumbent worker training project may include the amount of the wages paid by the employer to a worker while the worker is participating in the training activity. The employer may provide the share in cash or in-kind, fairly evaluated.

E. Description of Allowable Expenses

- The same rules for allowable of costs for other sources of WIOA training apply to Incumbent Worker Training.

Examples of approved training items include:

- Instructor fees/trainer wages or tuition costs
- Training related materials (facilities, equipment, tools, etc.)
- Materials/Supplies/Textbooks

- Travel/Lodging/Food for individuals and instructors in compliance with the WPWDB's current Travel Policy.
- Trainee Wages ARE NOT an allowed expense (They may be counted as an in-kind match for employer contribution)

F. PROHIBITION ON USE OF FUNDS TO ENCOURAGE OR INDUCE

RELOCATION

No funds provided under this title shall be used, or proposed for use, to encourage or induce the relocation of a business or part of a business if such relocation would result in a loss of employment for any employee of such business at the original location and such original location is within the United States.

G RESTRICTIONS ON USE OF FUNDS AFTER RELOCATION

No funds provided under this title for an employment or training activity shall be used for customized or skill training, on-the-job training, incumbent worker training, transitional employment, or company- specific assessments of job applicants or employees, for any business or part of a business that has relocated, until the date that is 120 days after the date on which such business commences operations at the new location, if the relocation of such business or part of a business results in a loss of employment for any employee of such business at the original location and such original location is within the United States.

H BUSINESS SERVICES

Incumbent worker training is an important business services initiative that is designed to benefit business and industry by assisting with existing employees' skill development and by increasing employee productivity and company growth. Incumbent worker training will be tracked in the business engagement report and will be reported to the Virginia Board of Workforce Development (VBWD).

The Business Services team will utilize the WPWDB's *Development and Use of Demand-Driven and High Growth Occupation and Demand Skills Listing Policies* (updated October 19, 2015) to identify and cultivate a more highly skilled and job- ready workforce that meets the needs of employers.

I OUTCOMES

Strategies for developing new workforce skills in the existing workforce shall be designed to benefit regional business and industry in ways that encourage and support the integration of new technology and business processes, increase employee productivity and support the competitiveness of the company.

Incumbent worker programs create a number of positive outcomes including:

- Improving the alignment of existing workers' skills with new job requirements;
- Providing individuals access to new career opportunities within a business;
- Encouraging the retention of existing personnel who otherwise may become dislocated because of skills deficiencies; increasing the wages of newly trained workers;
- Creating new opportunities for entry-level workers through the promotion of existing workers; and supporting the overall enhancement of local and regional economic development efforts.

J INCUMBENT WORKER TRAINING DOCUMENTATION

The WPWDB has the responsibility for receiving, reviewing, and approving employer applications for participation in Incumbent Worker Training.

Once an employer application is reviewed and approved, the boards must ensure that data elements related to employee demographics, eligibility, training and attainment of desired skills or industry recognized credential, and performance are entered into the Virginia Workforce Connection, the supported state system of record.

The WPWDB is required to maintain all documentation received and reviewed for the minimum required retention period of three years. Documents that must be retained include:

- Completed and signed application
- Documentation or certification of employee eligibility ([see VWL 16-05 Attachment B](#))
- Training plans, if separate from the application
- Copies of credentials received or employer certification of training completion
- A copy of the invoice from the training provider
- A copy of the employer's payment made to the training provider
- A completed reimbursement request form
- A signed form indicating that the employer has been made aware of the local area's Grievance and Equal Opportunity Policies
- All documentation regarding IWT related complaints and actions taken on those complaints.

All documentation collected and maintained will be subject to validation during the monitoring and data validation processes.

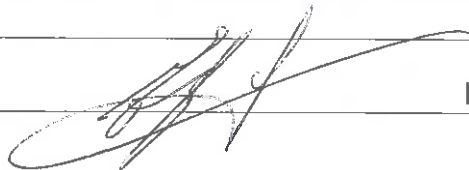
K PROGRAM PERFORMANCE REPORTING

The WPWDB is required to have all individuals receiving WIOA Title I funded incumbent worker training entered into the VaWC system and to report outcomes on all individuals who receive incumbent worker training.

Please refer to [VWL 16-05 Attachment A](#) for information detailing the Incumbent Worker data entry process.

Please note that for individuals that participate in incumbent worker training programs with local funds, they must have an Adult or Dislocated Worker classification.

Approval Signature:



Revision Date: June, 2017