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POLICY # 29

Title:	Incumbent Worker Policy	
Program:	Workforce Innovation and Opportunity Act	
Effective:	July 1, 2023	
Revision #:	3	Original policy date: April 28, 2017

Purpose: To establish policy and definitions for incumbent worker training in Region 4.

References: WIOA Section 134(c) (3)(h) WIOA sec. 134(d)(4) and § 20 CFR 680.530, 680.780, 680.790, 680.800, 680.810, and 680.820; WorkForce WV Policy No 01-16;

Background: The Workforce Innovation and Opportunity Act WIOA allows the Local Workforce Development Board to provide incumbent worker training and to establish policies, definitions and procedures to determine the workers or groups of workers who are eligible for services.

Policy: The WDBMOV may provide incumbent worker training using up to 20% of Adult and Dislocated Worker funds or WIOA statewide discretionary funds provided by the Governor. Training in the region will be in alignment with sector strategy approaches for in-demand occupations, will promote a more competitive workforce, is designed to avert potential layoffs and provide incumbent workers opportunities for advancement and wage gains within their company.

Incumbent worker training is designed to assist workers in obtaining the skills necessary to retain employment and must increase both a participant's and a company's competitiveness. Incumbent worker training may help an individual move up a career ladder within an apprenticeship program and the training should, wherever possible, allow the participant to gain industry-recognized training credentials. An incumbent worker does not have to meet the eligibility criteria for career and training services for WIOA title I adult and dislocated worker programs unless they are enrolled as a participant in the adult or dislocated worker program. However, documentation will be required for performance reporting.

Employers must be determined eligible based on the following:

1. The characteristics of the incumbent workers to be trained, specifically the extent to which they historically represent individuals with barriers to employment as defined in WIOA Section 3(24), and how they would benefit from retention or advancement;
2. The quality of the training, e.g., industry-recognized credentials, advancement opportunities);
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 employer must not have laid off workers within 12 months and must have a commitment to retain or avert the layoffs of the incumbent worker(s) being trained;

6. The employer must not be delinquent in unemployment insurance or workers' compensation taxes, penalties, and/or interest.
7. LWDBs must document these factors in approving an incumbent worker training project with an employer.

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. Employers will be reimbursed the WIOA (Federal) share. The WDBMOV has established the employers share of cost based on the following scale:

- 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

Allowable costs may include only costs directly related to training.

Allowable costs may include:

- 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 include but are not limited to:

- 1) 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 incumbent worker training funds to pay for a worker's training wages;
- 5) Use of incumbent worker training funds to train management employees in management skills. The only exception being if the management training would be part of an industry recognized credential and/or an Associate's degree.
- 6) Periodic safety and refresher courses necessary for a business to continue to operate (i.e. First Aid, CPR and Occupational Safety and Health Administration certifications).

Definitions:

Incumbent Worker – 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 6 months or more.

Incumbent Worker Training – Training designed to meet the special requirements of an employer (or group of employers) to retain a skilled workforce or avert the need to lay off employees by assisting workers in obtaining the skills necessary to retain employment.

Incumbent worker training may include classroom training, on-the-job-training or apprenticeship training programs. The following restrictions apply:

Classroom training:

- May be conducted on the employer's site or at a recognized post-secondary institution, or by a recognized industry expert.
- Training must be completed as contracted.

Action: The WDBMOV will assist qualified employers with incumbent worker training projects. A contract will be developed outlining the training, projected training costs, and expenditures covered by the WDBMOV through WIOA funds for the project as well as employer costs, signed by the employer or group of employers. When appropriate, the project will be coordinated with state training programs/funding sources.

The Workforce Development Board Mid-Ohio Valley will make this policy known to the American Job Center Operator and partners.

Expiration Date: Effective until rescinded or modified by the Workforce Development Board Mid-Ohio Valley.