

	POLICY P13: INCUMBENT WORKER TRAINING
	APPROVED: 1/27/2017 – NOW
	<input checked="" type="checkbox"/> NEW <input type="checkbox"/> REVISED

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 projects. (WIOA Section 134(d)(4)).

BACKGROUND

Incumbent Worker training 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. An ideal incumbent worker training would be one where a participant acquires new skills allowing him or her to move into a higher skilled and higher paid job within the company, thus allowing the company to hire a job seeker to backfill the incumbent worker’s position. 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

POLICY

The Oregon Northwest Workforce Investment Board doing business as Northwest Oregon Works (NOW) expects its contracted service providers to invest into incumbent worker training as part of the state requirement outlined in a WIOA Guidance Letter issued by Oregon Workforce Investment Board dated 7/1/16 on “Minimum Training Expenditures”. Incumbent worker training investments count toward NOW’s required 25% investment into occupational skill development.

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. Registered for the Selective Service (males who are 18 or older and born on or after January 1, 1960) unless an exception is justified;
4. Employed;
5. Meet the Fair Standards Act requirements for an employer-employee relationship (<http://www.dol.gov/whd>); and
6. Have an established employment history with the employer for six (6) months or more.

In 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.

Per 20 CFR 680.780, an incumbent worker does not have to meet the eligibility requirements for career and training services for adults and dislocated workers under this Act, unless they also are enrolled as a participant in the WIOA adult or dislocated worker program. Incumbent worker trainees who meet WIOA eligibility criteria for Title I Adult and/or Dislocated Worker services should be co-enrolled

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:

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 OED labor market information; or
 - b. In an in-balance industry as determined by OED 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 Oregon from another state;
8. The employer is current in unemployment insurance and workers' compensation taxes, penalties, and/or interest or related payment plan.

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 proposed 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:

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

Employer cost share contributions must be tracked and documented in the contract file. In addition, the methodologies for determining the value of in-kind contributions must be documented in the contract file and conform to cost sharing requirements at 2 CFR 200.306.

Types of Incumbent Worker Training

Incumbent worker training may be provided as classroom based training, on the job training, apprenticeship or a combination of the above. Training may be provided by the company for which incumbent worker works, or reputable education or training vendors. Training does not have to be restricted to providers on the eligible training provider list (ETPL), unless the training is funded using an Individual Training Account (ITA).

At its discretion, NOW may use a competitive process to award resources for incumbent worker training in compliance with NOW's policies and procedures regarding procurement.

REFERENCES

WIOA Section 3(23)

WIOA Section 134(d)(4)

20 CFR 680.780, 680.790, 680.800, 680.810, and 680.820

2 CFR 200.306

Policy P05 Individual Training Account

Policy P07 On the Job Training, Limits and Procedures

WIOA Title I Guidance Letter, Minimum Training Expenditures, July 1, 2016