

EOWB Policy #: P-012	Effective Date: 02/24/2017
	Revised Date: 04/16/2017
INCUMBENT WORKER TRAINING	<input type="checkbox"/> New <input checked="" type="checkbox"/> Revised
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PURPOSE

This policy provides criteria to determine which employers are eligible for incumbent worker training services and the cost share required for such training projects. EOWB staff will manage Incumbent Worker Training Funds.

POLICY

Incumbent worker training (IWT) is an important business service initiative that is designed to benefit business and industry by assisting with existing employees' skill development and by increasing employee productivity and company growth. This would include a commitment by the employer to retain or avert the layoff of the newly skilled incumbent worker(s). An ideal IWT would be where an employee acquires new skills allowing them to move into more advanced positions and then allowing the company to hire a WIOA participant to backfill the vacated position. The IWT must increase both a participant and a company competitiveness.

Eastern Oregon Workforce Board (EOWB) can use up to 20 percent of their adult and dislocated worker funds to provide for the federal share of the cost to provide IWT.

The IWT funds must be used to:

- Help avert potential layoffs of employees, or
- Obtain the skills necessary to retain employment, such as increasing the skill levels of employees so they can be promoted within the company and create backfill opportunities for less-skilled employees.

The IWT funds must not be used to:

- Directly or indirectly assist, promote, or deter union organizing
- Directly or indirectly aid in the filling of a job opening which is vacant because the former occupant is on strike, or is being locked out in the course of a labor dispute, or the filling of which is otherwise an issue in a labor dispute involving a work stoppage.

IWT Eligibility Criteria:

Types of Employers

Generally, IWT funds should be provided to private sector employers of Oregon; however, there may be an instance where non-profit and local government entities may be the recipients of IWT funds. An example is a health care industry being operated by a non-profit or local government.

Employer Eligibility Criteria

The following factors must be considered when determining the eligibility of employers to receive the WIOA share of funds to provide IWT:

1. The characteristics of the individuals to be trained and how they would benefit from retention or advancement.
2. Whether the training improves the labor market competitiveness of the employee and/or the employer; and
3. Other factors EOWB may consider appropriate, including:
 - The number of participants the employer plans to train or retrain;
 - Wage and benefit levels of those employees, both pre- and post-training earnings;
 - The existence of other training and advancement opportunities provided by the employer;

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- Credentials and skills gained as a result of the training;
 - Layoffs averted as a result of the training;
 - Utilization as part of a larger sector and/or career pathway strategy;
 - Employer size.
4. The employer is current in Oregon State payroll taxes, penalties, and/or interest or related payment plan.

Each of the above factors leading to the approval of an IWT project with an employer must be documented and placed in the contract file.

Employees receiving training must be:

1. Employed;
2. Have been employed with the employer for six (6) months or more, which may include time spent as a temporary or contract work performing work for the employer receiving IWT funds; and
3. Meet the Fair Standards Act requirements for an employer-employee relationship.

EXCEPTION: In the event that the IWT 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 the cohort can meet the employment history requirement.

An incumbent worker does not have to meet the eligibility requirements for career and training services for adults and dislocated workers under WIOA, unless they are enrolled as a participant in the WIOA adult or dislocated worker program.

Employer Share of Training Costs

Employers participating in IWT are **required** to pay the non-WIOA (non-federal) share of the cost of providing training to their incumbent workers. The employer contribution may include wages paid to the participant while in training, cash payment, and/or fairly evaluated in-kind.

The employer's payment is based on the size of the workforce 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 are documented in a contract file.

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. The company applying for the training, or reputable education, or training vendors may provide the training. 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).

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REFERENCES

WIOA Section 3(23)

WIOA Section 134(d)(4)

20 CFR Part 680.780 through .820

20 CFR Parts 651,652, 653, 658

2 CFR 200.306

TEGL WIOA No. 19-16 A/DW, ES

APPROVED AT EWOB REGULAR MEETING	DATE: 04/16/2019
WILLIAM ROSHOLT, EOWB EXECUTIVE DIRECTOR	EFFECTIVE DATE: 02/24/2017
SIGNATURE	DATE