



Bay Consortium Workforce Development Board

Policy Number: 15-02

Effective Date: May 6, 2016

Title: Incumbent Worker Training

PURPOSE

The purpose of this policy is to describe the use of Workforce Innovation & Opportunity Act (WIOA) and formula funding to create innovative incumbent worker programs and other related strategies that serve the Bay Consortium Workforce Development Board, Inc. (BCWDB) area businesses.

REFERENCES

Workforce Innovation and Opportunity Act of 2014 Section 122 and Section 134

Virginia Board of Workforce Development, Incumbent Worker Training Policy # 15-00

POLICY

It is crucial for the BCWDB to promote a highly-skilled and job-ready workforce that meets the needs of employers. The BCWDB 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 BCWDB recognizes that improving the education and skill levels of the current workforce will not only improve state and local 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 Virginia 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. Funding Available

The BCWDB 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.

B. Guidelines for Determination of Eligibility

For the purpose of determining the eligibility of an employer to receive funding, the BCWDB has developed this policy to include the following factors:

- characteristics of the incumbent worker;
- they must meet the Fair Labor Standards Act requirements for employer-employee relations and have an established employment history with the employer for 6 months or more
- incumbent workers are not required to meet eligibility requirements for adults or dislocated worker
- evidence that the training satisfies the requirements of WIOA;
- 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 a participant 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 of the training project.

1. Incumbent Worker and Employer Eligibility

Eligibility Requirements for Incumbent Workers – There is no income eligibility for Incumbent Workers; however, the following minimum requirements must apply:

- Incumbent worker must be 18 years old and above, a U.S. citizen or non-U.S. citizen legally authorized to work in the United States, and comply with Selective Service provisions.
- Incumbent worker must be currently employed with the participating employer.
- Incumbent worker must need skill upgrading or retraining, completion of GED or High School Diploma, basic skills upgrade, etc. to retain employment, be promoted and/or be successful in their employment with the company.
- Employers and incumbent workers should be provided information on services and resources available through the local one-stop workforce and career service delivery system, including information on the local incumbent worker-training program. The provision of information may serve as a minimum core service for the purpose of the incumbent worker. Although the provision of information would not directly improve the worker skills to satisfy the employer business needs, provision of the information may serve as a qualifier for the worker's access to other services. For the purpose of the local incumbent worker-training program, the employer's assessment of the worker's skills and the determination that the worker requires skill improvement serve as a career service and may result in immediate qualification for training.



Eligibility Requirements for Employers – The following minimum eligibility requirements for employers must be verified by the BCWDB.

Employers must be:

- Private Sector, being Private-for-profit businesses or private non-profit organizations;
- Operating in the Commonwealth of Virginia during the entire twelve month period prior to the application date, with at least one employee other than the owner if the employer entity a private business;
- Current on all Virginia tax obligations, including all applicable county, city and local taxes; and
- Proposing to deliver the training for employees based within Virginia.

The following employers are not eligible to participate:

- Public Sector employers;
- A business that has a history or pattern of failing to provide WIOA participants with continued employment with wages, benefits, and working conditions that are equal to those provided to regular employees who have worked a similar length of time and are doing the same type of work.
- A business or part of a business that has relocated from any location in the United States, until the company has operated for 120 days, if the relocation has resulted in any employee losing his or her job at the original location.

A new or expanding business must verify whether it has relocated employment from another area, and must indicate whether any employee lost a job in the previous location as a result of the relocation.

A standardized pre-award review must be completed and documented jointly between the local area and the business establishment as a prerequisite to training.

2. Types of Training and Allowable Costs

Training activities may include, but not be limited to, Occupational Skills Training, Skill Upgrading and Retraining, Literacy Activities related to Basic Work Readiness, Job Readiness Training or Work Readiness Training, and Customized Training. In instances where Customized Training is offered under this policy, provisions under State Policy #15-00 shall also apply. The local area must monitor against those provisions after the training is complete and maintain documentation of such monitoring.

Training services under local initiatives may be provided through Virginia's community colleges, school districts, area vocational-technical centers, state universities, licensed and certified post-secondary private institutions and from subject matter experts, consultants, or trainers from the applying business. Employers should be encouraged to use the State approved



Eligible Training Providers List. Training can be conducted at the employer's facility, at the training provider's facility, or at a combination of sites.

Proposed training costs must be reasonable and necessary and clearly relate to the purposes and activities of the project as described. Businesses must provide a match as designated on *page 5 Section C. Employer Share* of the training-related costs. Funds provided through this effort are not intended to supplant training normally provided by employers. Local areas are encouraged to leverage resources from multiple public and private resources within the community; however, activities funded by these WIOA dollars cannot duplicate efforts funded by other such sources.

Examples of allowable activities and expenses:

- Training for participants for productive, high demand employment;
- Work-site-based learning strategies using cutting-edge technology and equipment;
- Training programs incorporating technological changes in the workplace;
- Training programs designed to impart learning to meet employer-specified or industry-specific skills;
- Train-the trainer instruction to build the capacity of businesses to effectively respond to the challenges of an increasingly diverse workforce
- Consumable training materials and supplies
- Textbooks
- Off-site facility rental expense directly related to and necessary for the training
- Rental of tools and equipment critical to the project
- Travel expense and per diem of instructor Instructor/trainer fees

Activities **NOT** eligible for funding:

- Costs incurred prior to the approval date of the application
- Construction or purchase of facilities or buildings
- Business relocation expenses
- Employment or training in sectarian activities
- Lobbying activities
- Direct Employee wages

3. Performance Standards for Incumbent Workers

Although incumbent worker activities in Virginia are viewed as business and employer services, to the extent local programs provide WIOA funding to train and/or retrain workers, certain of the WIOA performance standards apply:

- Local incumbent workers are included in the area's employment retention standard;
- Local incumbent workers are included in the area's participant average earnings standard;



- Local incumbent workers are included in the area’s employment and credential standard to the extent that such standard remains applicable.

BCWDB will encourage the use of employer and industry-recognized credentials and certificates as valuable components of incumbent worker training projects.

Local incumbent workers are **excluded** from the entered employment standard.

C. Employer Share

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

The Employer 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 Employer share provided by an employer participating in 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. The Employer share may not be federal funds.

I. 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.

II. 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.

III. 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. The BCWDB will detail incumbent worker training in the business services plan. Incumbent worker training will be tracked in the business engagement report and be reported to the Virginia Board of Workforce Development.

IV. OUTCOMES

Strategies for developing new workforce skills in the existing workforce shall be designed to benefit 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.