



INCUMBENT WORKER TRAINING POLICY

INTRODUCTION

It is the policy of the Workforce Development Board of Solano County (WDB) to provide incumbent worker training to employers who are eligible to receive incumbent worker training funds in order to enhance their current workforce and increase their economic competitiveness. This Policy provides a definition and information related to Incumbent Worker Training based on information provided by the Workforce Investment and Opportunity Act (WIOA).

QUESTIONS

Questions relating to this policy should be directed to Marion Aiken, Workforce Services Manager at maiken@solanowdb.org or at: (707) 863-3594.

ATTACHMENTS

- None

POLICY

Incumbent worker training (IWT) under WIOA provides both workers and employers with the opportunity to build and maintain a quality workforce and increase both participants' and companies' competitiveness. It is a type of work-based training and upskilling designed to ensure that employees of a company can acquire the skills necessary to retain employment and advance within the company, or to acquire the skills necessary to avert a layoff.

Incumbent worker training may be used either to avert the need to lay off employees or to obtain the skills necessary to retain employment (an example is increasing the skill levels of employees so they can be promoted within the company and create backfill opportunities for less-skilled employees.)

The WDB may utilize up to 20 percent of its combined total of adult and dislocated allotments for the federal share of incumbent worker training as described above. The 20 percent can be used for Incumbent Worker Training activities that are programmatic in nature. In addition, the WDB may use Rapid Response Funds for incumbent worker training if used as part of a layoff aversion strategy.

TRAINING PARAMETERS

Incumbent worker training funds may be used for incumbent workers. An “incumbent worker” is defined a worker who is:

- Employed,
- Meets the Fair Labor Standards Act (FLSA) requirements for an employer-employee relationship, **and**
- Has an established employment history with the employer for 6-months or more, with the following exception:
 - 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 for 6-months or more as long as a majority of those employees being trained do meet the employment 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 also are enrolled as a participant in the WIOA Adult or Dislocated Worker program. Training must not be used to pay for the occupational training a new hire needs.

Incumbent worker training can also be used for underemployed workers – e.g. workers who would prefer full-time work but are working part-time for economic reasons. The use of this strategy may focus on increasing skills for underemployed frontline workers to advance workers to more skilled positions with the same employer or industry sector leading to an increase in earnings through more work hours or an increase in pay.

Funds may be used to support training by a single employer or a group of employers with a location in Solano County. Employers must show a commitment to retain or avert the layoffs of the incumbent worker(s) trained. When considering employer eligibility, staff should take into account the number of employees participating in the training, the wage and benefit levels of the employees at the beginning and anticipated upon completion of the training, the relationship of the training to the competitiveness of the employer and employee, and the availability of other employer-provided training and advancement opportunities.

WDB funds may also be used to provide supportive services respectively for those who are:

- Participating in programs with activities authorized in the paragraphs above; **and**
- Unable to obtain such supportive services through other programs providing such services.

Preference, especially in times of low funding, will be given to employers or occupations within the following industry/business targets:

- Healthcare
- Advanced Manufacturing
- Food and Beverage Chain
- Transportation/Logistics
- Small Businesses (under 50 employees)

The amount of training reimbursement must not exceed \$7500.00 without justification and management approval. The duration of training must not exceed 12-months in duration.

Internal procedures must outline the process of issuing incumbent worker training contracts, how payments are made, and outcome considerations. In addition, internal procedures must define how WDB staff will record the participant training-related needs and the mix of funding assistance in the participant's record.

TRAINING FUNDS

The WDB may fund up to 90% of the cost of incumbent worker training (considered the Federal share of the cost). Participating employers must pay the non-Federal share of the cost of providing training to their incumbent workers.

Participating employers must pay a percentage of the cost per the following guidelines:

- 10 percent of the cost of training for employers with 50 or less employees;
- 25 percent of the cost of training for employers with 51-100 employees; **or**
- 50 percent of the cost for employers with more than 100 employees.

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

DOCUMENTATION AND PERFORMANCE ACCOUNTABILITY

The Employer share must be reported on the quarterly ETA-9130 financial report. Internal procedures must outline how an employer and incumbent worker is determined eligible. Incumbent worker participants who only receive Incumbent Worker Training and are not co-enrolled will not be included in the WIOA performance accountability calculations, but will be reported in the primary indicators of performance (employed second quarter after exit, employed fourth quarter after exit, median earnings, measurable skills gain, and credential attainment). The exit date for an incumbent worker will be the participants last date of training as indicated in the training contract.

DISCLAIMER

This policy is based on WDB's interpretation of the statute, along with the Workforce Investment and Opportunity Act; Final Rule released by the U.S. Department of Labor and federal and state policies relating to WIOA implementation. This policy will be reviewed and updated based on any additional federal or state guidance.

REFERENCES

Law

- [Workforce Innovation and Opportunity Act of 2014 \(WIOA\)](#)
 - Sections 20 CFR 16 680.780 through 820 of the Final Rule

Federal Guidance

- [Training and Employment Guidance Letter \(TEGL\) 19-16](#) – Incumbent Worker Training

State Guidance

- [California Workforce Service Directive \(WSD\) 16-04](#) – Rapid Response and Layoff Aversion Activities

Approved by

Workforce Development Board of Solano County



WORKFORCE DEVELOPMENT BOARD
OF SOLANO COUNTY

EMPLOYEE ACKNOWLEDGEMENT OF RECEIPT AND UNDERSTANDING FOR:
INCUMBENT WORKER TRAINING POLICY
(Issued 07/20/2018)

The Workforce Development Board (WDB) of Solano County's WIOA "Incumbent Worker Training Policy" contains important information pertaining to my employment and duties at the WDB.

A copy of this policy has been given to me to retain for future reference, and I have been provided with the location on the Shared Drive for the policy where I can obtain an electronic copy.

Since the information and policies described in the policy are necessarily subject to change, I acknowledge that revisions to the policy may occur. All such changes will be communicated through official notices. I understand that revised information may supersede, modify, or eliminate existing policies.

I have received the WIOA Incumbent Worker Training Policy and I understand that it is my responsibility to read and comply with the information contained in this policy and any revisions made to it.

I understand that I should consult my supervisor if I have any questions about the information contained in the policy. I understand that failure to comply with the information contained in the policy could lead to disciplinary action or termination.

Employee's Name (printed): _____

Employee's Signature: _____ Date: _____