

<b>Policy Number</b>	<b>AREA 12-504</b>
<b>Subject</b>	Incumbent Worker Training (IWT)
<b>Board Approved</b>	4-19-22
<b>Revisions Approved</b>	
<b>This Policy Obsoletes</b>	
<b>Reference to State Policy</b>	WIOA 181(a)(1)(A) 20 CFR 680.770 – 680.840

**Purpose:**

The purpose of this policy is to provide guidance for Incumbent Worker Training (IWT) funding under the Workforce Innovation and Opportunity Act (WIOA), issued through the Workforce Investment Board of Butler, Clermont and Warren Counties (WIBBCW). An “Incumbent Worker” is defined as an individual who has an established employment history with the employer for six months or more. Annually, based on available funds, WIBBCW will determine the amount available for IWT Grant awards, not to exceed 20% of the WIBBCW/Area 12’s available WIOA Adult and Dislocated Worker funds for the Fiscal Year, as determined by the WIBBCW Budget & Finance Committee and Fiscal Agent.

**Incumbent Worker Training:**

Means training by an employer, or training provider in close partnership with an employer, provided to a paid worker while engaged in productive work in a job that:

- a. Provides knowledge or skills essential to the full and adequate performance of the occupation;
- b. Provides reimbursement to the employer for the costs of providing the training and additional supervision related to the training; and
- c. Is limited in duration as appropriate to the occupation for which the participant is being trained.

Incumbent Worker Training is intended to meet the requirements of an employer or group of employers to retain a skilled workforce or avert the need to lay off employees lacking specific skills.

**Eligibility Requirements**Trainee Eligibility

*Note: Per 20 CFR 680.780, an incumbent worker does not necessarily have to meet the eligibility requirements for WIOA career and training services for the Adult or Dislocated Worker Program.*

For an individual to qualify for IWT under the WIOA guidelines, he/she will:

- Earn less than the WIBBCW Performance Measure for WIOA Dislocated Worker Median Earnings for the current Program Year;
- Be currently employed with the same employer for six months or longer<sup>1</sup> (or be a member of a training cohort in which the majority have attained this six-month employment history); and
- Be in need of additional training to avert a layoff or be retained with the company.

#### Employer Eligibility

- Eligible employers able to participate in IWT contracting include: private-for-profit businesses, private non-profit organizations, and public sector employers. WIOA's IWT contracts shall not be made with employers who have previously exhibited a pattern of failing to provide IWT trainees with continued long-term employment with wages, benefits and working conditions that are equal to those provided to other employees who have worked a similar length of time and are doing the same type of work but have not received IWT.

An employer will NOT be eligible to receive WIOA IWT training reimbursements if:

- The employer has any other individual on layoff from the same or substantially equivalent position;
- The IWT would infringe upon the promotion of or displacement of any currently employed worker or a reduction in their hours;
- The same or a substantially equivalent position is open due to a hiring freeze;

#### Employer Eligibility

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<sup>1</sup> The 6-month history for IWT funding is governed by sections 20 CFR 680.780 through .820 of the Final Rule.

- The IWT would infringe upon the promotion of or displacement of any currently employed worker or a reduction in their hours;
- The same or a substantially equivalent position is open due to a hiring freeze;
- The positions are for seasonal employment; or
- The position is not full time (i.e. minimum of 32 hours per week)
- The employer(s) has recently relocated, resulting in the loss of employment of any employee of such business at the original location in the U.S., incumbent worker training contracts may not be granted to the employer until after 120 days have passed since the relocation.
- Businesses is debarred, suspended, proposed for disbarment, declared ineligible or voluntarily excluded from participation in transactions by USDOL or the State of Ohio.
- Businesses has any outstanding tax liability to the State of Ohio for over six months.
- Businesses must have all of the approvals, licenses, or other qualifications needed to conduct business in the state and must be current.
- Businesses has any outstanding civil, criminal or administrative fines or penalties owed to or pending in the State of Ohio.

#### Occupational Eligibility

IWT funding must be used on local In-Demand Occupations, which provide or lead to employment opportunities enabling the trainee to become economically self-sufficient and which will contribute to the occupational development and upward mobility of the trainee.

At the time of completion of the IWT program, individuals must be employed in occupations that meet the following criteria:

- Hourly wage must be at or above the Board-approved self-sufficiency (living) wage *or* the employee's starting wage, if the starting wage was higher than the self-sufficient wage;
- Occupation must be listed as an In-Demand Occupation in Area 12 (Butler, Clermont and Warren Counties); and
- The occupation must be a full-time permanent position following the training (minimum of 32 hours per week). Or a part time position leading to full time.

#### General WIOA Incumbent Worker Training Requirements

- When funds are available and budgeted, WIOA IWT contracts may be written for the approved employer when:
  - The IWT is necessary to meet the requirements of an employer or 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
- It is expected that employers that use IWT funding will maintain the employment of the individual receiving the training as a full-time employee, provide benefits and working conditions at the same level and to the same extent as other employees working a similar length of time, and doing the same type of work for at least six months following the training.

- WIOA funds may not be used in conjunction with Ohio Department of Education customized training programs
- IWT contracts will generally not be written for low skill jobs that would require little or no training.
- IWT grants should only be awarded to companies in alignment with WIBBCW’s Sector Strategies.

IWT grants may be provided as ITAs (in which case, the trainer must be in the WIET - Workforce Inventory of Education and Training website) or as Customized Training Grants (in which case, the trainer must either be procured or the employer, as a “beneficiary” of IWT, may select any provider it wishes.) See WIOA PL 15-23 for more details on beneficiaries.

### **WIOA Incumbent Worker Funding Levels:**

Employers participating in Incumbent Worker Training are required to pay the non-federal share (or employer share) of the cost of providing training to their incumbent workers per the sliding scale outlined below. **Annually, the WIBBCW Board will determine the maximum available Federal Share of funds, per trained worker.** The WIBBCW will consider exceptions to the cap on training funds and the reimbursement schedule below. The employer share may be provided in cash or in-kind and may include the wages paid by the employer to a worker while the worker is attending the incumbent worker training program.

The level of reimbursement to the employer is determined by the employer size:

50 or fewer employees	= 90% of the cost of training for the employer, up to
to	\$1,000 per Incumbent Worker participant
51-100 employees	= 75% of the cost of training for the employer, up to
	\$1,000 per Incumbent Worker participant
101 or more employees	= 50% of the cost of training for the employer, up to
	\$1,000 per Incumbent Worker participant

Employer size is determined by the number of employees at the time of the execution of the Incumbent Worker Training contract.

### Funding Exceptions

The WIBBCW is aware that extenuating circumstances may require additional funding beyond the cap outlined in the policy and will consider exceptions based on employer input. Written requests for an exception should be submitted to the WIBBCW.

Changes to WIBBCW’s reimbursement maximum will be considered by the WIBBCW for trainings in which the recipient receives an industry recognized credential or for employers

providing IWT in partnership with three or more additional employers. However, percent of the cost would remain the same.

**WIOA incumbent worker funds may not be used to pay for the wages of workers being trained.** Funds provided under this program may be used for the cost of providing the training, including the cost of developing the training or fees for the training program or training provider.

### Employer Requirements

With assistance from the Business & Employer Solutions Team and the OMJ|BCW Center's WIOA Title I staff, participating employers must guarantee that:

- All participants shall be provided benefits and working conditions at the same level and to the same extent as other employees working a similar length of time and doing the same type of work. This will include unemployment compensation coverage where the employer is normally required to provide such coverage to its employees.
- The position provides the participant benefits per company policy (i.e. insurance, paid leave, profit sharing)
- Employees who have financial responsibilities related to the receipt and disbursement of funding under the Agreement shall be covered by fidelity bonding.
- The training to be provided, and worker protection requirements, will be in accordance with WIOA 181(a)(1)(A) (B), (b) (2), (3), (4), and (5) and 188, and 20 CFR 683.275 for wage and labor standards.
- The employer agrees to cooperate with monitoring efforts as required by WIOA legislation and adhere to all other applicable local, state, and federal requirements.
- Funds are not used to directly or indirectly assist, promote, or deter union organizing.
- The employer agrees to respond to OMJ|BCW Center's WIOA Title I staff requests for wage and retention information of participants.
- The employer commits to retain the trained employees for a period of a minimum of six months following the completion of training. Failure to do so may result in the employer being ineligible to receive further WIBBCW WDB training funds for a minimum of one year.

*“Innovation at Work”*

**Incumbent Worker Training Program**

The Ohio Incumbent Workforce Training Program is for an individual who has an established employment history with the employer for six months or more. Training means training by an employer, or training provider in close partnership with an employer, provided to a paid worker while engaged in productive work in a job. The ultimate goal of this program is twofold: allow employers to retain and grow their existing Ohio workforce and create a workforce that can meet the present and future demands in an ever-changing economy.

***How it Works***

Employers participating in Incumbent Worker Training are required to pay the non-federal share (or employer share) of the cost of providing training to their incumbent workers per the sliding scale outlined below. The employer share may be provided in cash or in-kind and may include the wages paid by the employer to a worker while the worker is attending the incumbent worker training program.

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Employer size is determined by the number of employees at the time of the execution of the Incumbent Worker Training contract.

***How to Apply***

Businesses can apply at either of the Butler, Clermont, or Warren County OhioMeansJobs locations. Eligibility will be determined with assistance from the Business & Employer Solutions Team and the OMJ|BCW Center’s WIOA Title I staff.

***In-Demand Training Fields***

- Retail Trade
- Manufacturing
- Healthcare