

**Local Workforce Area #10 Policy Letter 09-03**  
**on**  
**Incumbent Worker Training Program Services**

**PURPOSE:**

To establish a written incumbent worker training program (IWTP) policy, in accordance with Workforce Innovation and Opportunity Act Policy Letter No. 15-23.

**BACKGROUND:**

Work-based training is employer-driven with the goal of unsubsidized employment after participation. Generally, work-based training involves a commitment by an employer or employers to fully employ successful participants after they have completed the program. It can be an effective training strategy that can provide additional opportunities for participants and employers in both finding high quality work and in developing a high quality workforce. Work-based models can be effectively used to target different job seekers and employer needs.

Incumbent worker training (IWT) is one type of work-based training model and is designed to either assist workers in obtaining the skills necessary to retain employment or to avert layoffs and must increase both a participant's and a company's competitiveness. Local workforce development areas may use up to 20 percent of their local adult and dislocated worker formula funds for incumbent worker training. The training should, wherever possible, allow the participant to gain industry-recognized training experience.

**POLICY:**

Area #10 will provide Incumbent Worker Training services to area employers for the purposes of expanding capacity and/or incorporating new technology in an effort to avert layoffs and/or closures and retain a skilled workforce by helping companies increase financial viability, stability, competitiveness and productivity.

To be eligible for Incumbent Worker Training (IWT) services, employers must meet the following criteria:

1. Must not be presently debarred, suspended, proposed for disbarment, and declared ineligible, or voluntarily excluded from participation in transactions by USDOL or the State of Ohio.
  - Federal Exclusion and Debarment Site: <http://www.sam.gov>
  - Ohio Department of Taxation: <http://www.tax.ohio.gov>
  - Business Filing Search: <http://www.sos.state.oh.us>
2. Shall not have any outstanding tax liability to the State of Ohio and will disclose outstanding tax liabilities with other states.
3. Must not be identified as having more than one (1) unfair labor practice contempt of court finding on the most recent list established by the Ohio Secretary of State.
4. Must have all current approvals, licenses, or other qualifications needed to conduct business in Ohio. Training under the IWT program will cease if the business is disqualified from

- conducting business in Ohio during the course of the training.
5. Shall not be a governmental entity, including the city, county and state. The only allowable exception to this prohibition will be health care providers operating as not-for-profit entities.
  6. Must not have been in operation in the State of Ohio for less than 120 days if the business had laid off workers at a former location in the United States.
  7. Must not have any outstanding civil, criminal or administrative fines or penalties owed to or pending in the State of Ohio.
  8. Must be willing to meet the required match for the training program, if applicable.

### **Allowable Costs for Incumbent Worker Training (IWT):**

Allowable costs may include:

- Instructor/trainer salaries;
- Curriculum development, textbooks, manuals, training software, materials and non-consumables; and
- Other necessary and reasonable costs directly related to training.

Unallowable costs include but are not limited to:

- Normal employer payroll
- Employment-generating activities
- Economic development activities
- Investment in revolving loan funds
- Investment in contract bidding resource centers
- Foreign travel
- Purchase or lease of capital equipment
- Capitalization of businesses
- Encouragement or inducement of a business or part of a business to relocated from any location in the United States
- Payment of training costs or wages for a worker before his training period has commenced or after his training period has ended
- Use of IWT funds to pay for a worker's training wages;
- Use of IWT funds to train management employees in management skills such as Six Sigma and LEAN.

### **Types of Incumbent Worker Training**

Allowable types of training for incumbent workers include:

- **Skill Upgrade and ReTraining:** Short-term training that enhances occupation-specific skills or basic skills that lead to a credential/certificate.
- **Customized Training:** (refer to Incumbent Worker Training Assessment) Training designed to meet the special requirements of an employer (or group of employers); is a participant/trainee service and a business service; is conducted with a commitment by the employer to employ or continue to employ an individual upon successful completion of training; enables the trainee(s) to obtain industry or employer-recognized skills identified by the employer (or group of employers); for which the employer pays not more than 50% and

not less than 10% of the cost of training (depending on the number of employees).

- **Occupational Skill Training (ITAs):** Training that leads to a credential or a certificate.

### **General Eligibility Requirements for Individual Participants**

The following WIOA individual participant, general eligibility requirements apply for workers participating in Incumbent Worker Training:

- Selective service registration (for males 18 and over born after January 1, 1960)
- Citizenship status
- Age (18 or over)

Additional eligibility requirements for IWT participants are employment, meet the FLSA requirements for an employer/employee relationship, and have established employment history with the employer for six months or more. An incumbent worker does not have to meet all of the eligibility requirements for career and training services for adults and dislocated workers under WIOA.

**NOTE:** An Individual Employment/Training Plan is required for all participants identifying the individuals' skill level, needs and outcomes.

### **Data Elements and Reporting**

Required data elements for the IWTP include:

#### Employer

- Name
- NAICS Code
- County
- Type of IWTP: Layoff aversion

#### Participant

- Name
- Date of Birth
- Social Security #
- Post completion wages
- Certificate or credential

#### Training Information

- Type
- Start date, planned end date and actual end date of training
- Number of training hours
- Statement of Outcome(s)

#### Fiscal Procedures

- When applicable, the company must provide verification of having met the required match.
- No funds will be released until all verification of trainee completion and post-training wages are received by Richland County Job & Family Services/Crawford County Job

- & Family Services.
- Overages will be considered at the Workforce Board's discretion.

### Incumbent Worker Training Assessment

Companies/businesses being granted Incumbent Worker Training services must demonstrate the services are needed to avert layoffs or closures through:

- Expanding capacity
- Incorporating new technology

Companies/businesses being granted Incumbent Worker Training services must anticipate one or more of the following outcomes:

- Increase long-term financial viability
- Increase productivity
- Increase competitiveness
- Increase stability

### **Training Match Requirements**

The Local Area 10 WDB chooses to implement the Employer Match Waiver. The employer match for the cost of training will be based on the following sliding scale:

- a) 1-50 employees                      Employer match of no less than 10%
- b) 51-100 employees                  Employer match of no less than 25%
- c) 100+ employees                    Employer match of 50% (current statutory requirement)

**NOTE:** If Incumbent Worker Training funds become limited (less than 25% of the original earmark is available), the WDB will make decisions regarding funding based on analyses of cost benefits.

