

Title:	Incumbent Worker Training Policy	Policy #:	14
Effective Date:	March 17, 2016	Revision Date:	August 24, 2021

References: Workforce Innovation and Opportunity Act Law – Section 134(d)(4)
Virginia Board of Workforce Development Policy #15-00

Purpose:

The purpose of this policy is to describe the use of the Workforce Innovation and Opportunity Act local funds to create incumbent worker training programs.

Policy:

Federal Share of Funding:

As defined in federal legislation, up to twenty percent (20%) of WIOA Title I Adult and Dislocated Worker funds allocated to the local area are available to pay for the Federal share of the cost of providing a training program for incumbent workers.

Non-Federal Share of Funding:

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

The non-Federal share shall not be less than—

- 10 percent (10%) of the cost, for employers with not more than 50 employees
- 25 percent (25%) of the cost, for employers with more than 50 employees but not more than 100 employees; and
- 50 percent (50%) of the cost, for employers with more than 100 employees

The non-Federal share provided by an employer participating in an incumbent worker training program 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.

Employer Eligibility for Funds

Employers must meet the following eligibility requirements in order to qualify for incumbent worker training funds:

- Can identify with one of the target industries for the Central Virginia region as listed below, or provide justification for funding if the employer does not identify within one of the industries:
 - Agribusiness

- Biosciences & Medical Devices
- Business & Financial Services
- Defense & Security
- Information Technology
- Health Services
- Manufacturing/Distribution
- Transportation/Logistics;
- Plan to offer a wage increase to training participants within one year of completion of the training program¹ ;
- Training must result in an industry-recognized credential, when applicable;
- Have been in operation in Virginia for a minimum of one year prior to application for funding; and have not relocated from another location resulting in layoffs in the preceding 120 days of application;
- Have at least one full-time employee; and,
- Are up-to-date on all state and local tax obligations.

Additional Funding Considerations

Employers submitting applications for Incumbent Worker Training Funds must identify at least one of the following conditions as part of the basis for needing to invest in existing worker training in order to remain competitive:

- Declining sales
- Supply chain issues
- Adverse industry market trends
- Changes in management behavior or ownership
- Phasing out of certain function(s) with the introduction of new function(s) that require worker retraining
- Required skill changes that would otherwise require downsizing, layoffs, etc. if not addressed including, but not limited to
 - Skill changes required by external economic or market forces
 - Significant changes in technology or operating processes
 - Rapidly changing industry or occupational job requirements
 - Emergence of new products.
- New technology and/or equipment implementation
- Creation of new employment opportunities that require advance skills and knowledge
- Other, as deemed applicable by Piedmont Workforce Development Board (PWDB) staff

Employee Eligibility for Funds

All employees participating in Incumbent Worker Training must meet the eligibility guidelines below. An incumbent worker is:

- At least 18 years of age;
- A citizen of the United States or a non-citizen whose status permits employment in the United States;

¹Subject to budgetary or funding issues.

- Registered with the Selective Service (If they are a male born on or after January 1, 1960);
- An individual who has an established employment history with the employer for at least 6 months and meets the Fair Labor Standards Act requirements for employer-employee relations; and
- An individual who works at a facility located in Virginia or is working for a staffing agency and placed at a Virginia facility.

There is one exception to the 6 month requirement, which is that in the event that incumbent worker training is being provided to a cohort of employees, not every employee in the cohort must have an established employment history with the employer for six months or more as long as a majority of those employees being trained meet the employment history requirement.

An employer may only be eligible for funding for one Incumbent Worker Training program per year, depending on budgetary constraints and regional demand for Incumbent Worker Training funds. This is to ensure that funding is maximized throughout the region with different employers. It is also recommended that employers only apply for programs that are \$1,000 or less per employed worker for training costs.

Reimbursable Training Expenses

The following activities are eligible for Incumbent Worker Training Funds:

- 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

Non-Reimbursable Costs

The following activities are not eligible for Incumbent Worker Training Funds:

- Costs incurred prior to the approval date of the application
- Construction or purchase of facilities or buildings
- Business relocation expenses
- Employer or training in sectarian activities
- Lobbying activities
- Direct employee wages (can be contributed toward in-kind non-Federal share)

Application Process

Employers interested in receiving funding for incumbent worker training must complete the Virginia Career Works - Piedmont Region (VCW – Piedmont) Incumbent Worker Training Application. This should be returned to Sarah Morton, Workforce Development Director at smorton@vcwpiedmont.com with any questions pertaining to the application can be directed to the Assistant Director's email address or telephone at (434) 979-5610 x 21.

PWDB staff will be responsible for reviewing the applications submitted on a first-come, first-serve basis for access to funding. Once the application has been reviewed, a site-visit may or may not be conducted to request additional information or to review facilities for training eligibility.

Once approved for funding for Incumbent Worker Training, the employer must submit the following documents, which can be found in the Incumbent Worker Training Funding Packet. These documents must be completed before reimbursement will be issued:

- Employee Eligibility Documentation Form (includes Name, Gender, Job Title and Wage for each participating employee);
- Grievance & Complaint Procedures and EEO Notification Form.

At the completion of the incumbent worker training, certificates of completion or copies of the credentials of each trainee **must** be provided to the VCW – Piedmont for performance metrics.

The Incumbent Worker Training program is a reimbursement program. The employer must pay for the training prior to asking for reimbursement from the VCW – Piedmont. Reimbursements will be made to the employer within 60 days of receipt of the following documents:

- A copy of the invoice from the training provider;
- A copy of the payment check to the training provider for the incumbent worker training;
- A completed Reimbursement Request Form

Approval Process

Proposals will be considered on a first-come, first-serve basis from the date of submission of the Incumbent Worker Training Application to PWDB staff. PWDB staff will make a determination based on the availability of funds for incumbent worker training. If funding is not available, the employer will be placed on a wait list for when funding is available to the local area.

Follow-Up Process

Follow-up with each employer approved for incumbent worker training will occur for one year following the training end date. Quarterly contact will be made with the employer to verify the following information regarding the employees who received incumbent worker training:

- The employment status of all employees who received incumbent worker training
- The employees' wage
- The employees' job title
- Any additional information that was not collected during the training period

Grievance Process

WIOA Discrimination Complaint Process. Questions about or complaints alleging a violation of the nondiscrimination provisions of WIOA section 188 may be directed or mailed to:

State WIOA EO Officer:
Shirley Bray-Sledge, P.O. Box 26441, Richmond, VA 23261-6441

OR

Director of the Civil Rights Center:
U.S. Department of Labor, Room N4123, 200 Constitution Avenue N.W., Washington, D.C., 20210.

References:

- VWL 16-09
- VWL 16-05
- VCW-P Policy 1.7, Grievance Procedure