

South Central Workforce Development Board (SCWDB)



POLICY: INCUMBENT WORKER TRAINING POLICY

EFFECTIVE DATE: JULY 1, 2017

POLICY NUMBER: 2017-19

SUBJECT: PROVISION OF TRAINING TO INCUMBENT WORKERS

PURPOSE:

To establish the policy to provide training to incumbent workers and to establish guidelines for participant eligibility for incumbent worker training and employer eligibility for incumbent worker training reimbursement.

EFFECTIVE DATE: July 1, 2017

ACTION REQUIRED:

Within 15 days of the receipt of this policy it is the recipient's (e.g., vendors, partners) responsibility to ensure all staff are informed of the policy and to create an internal process to ensure accountability.

BACKGROUND:

Under the Workforce Innovation and Opportunity Act (WIOA), incumbent worker training is a permissible activity at both local and state levels. Local boards, in support of an employer or group of employers, are permitted to assist incumbent workers in obtaining the skills necessary to retain employment and/or avert layoffs, increase participant or a company's competitiveness, and be conducted with a commitment from an employer to retain or avert the layoffs of the incumbent workers trained. The Workforce Innovation and Opportunity Act (WIOA) allows Workforce Development Boards (WDBs) to expend up to 20% of their Adult and Dislocated Worker funds for training workers who are already employed.

As part of its ongoing commitment to established businesses and their existing workers, the South Central Workforce Development Board (WDB) has implemented an Incumbent Workforce Development Training Policy to provide educational/skills training for current workers to increase employee competitiveness and the potential for company growth. This policy articulates how the SCWDB will administer the WIOA Title I formula-funded incumbent worker training program. For incumbent worker training opportunities that are funded through temporary, grant or any other federal/state dollars, certain requirements and provisions may vary.

POLICY:

There are two primary areas of focus and priority:

1. Targeted Industries

All training for incumbent workers must be with employers in the WDBs targeted industries. The WDB has identified six targeted industries for training:

- construction,
- healthcare,
- hospitality,
- manufacturing,
- professional service and
- transportation, distribution and logistics (TDL).

2. Employee and Employer Improvement

- upgrading employee skills,
- upgrading employee wages,
- training in portable skills,
- business and/or employee retention.

In general, training for incumbent workers will be provided to private sector employers; however, there may be instances where non-profit and local government entities may be the recipients of these funds.

The business must agree to provide an opportunity to interview and consider an Focus Talent-registered or referred job seeker(s) to backfill the incumbent worker trainee's position(s) if promoted.

Incumbent Worker Eligibility

Incumbent worker training is intended for workers with an established work history with the current employer, and who have the knowledge, skills, and abilities needed by their current employer but because of changes in the necessary skills to remain in their position, to advance in the company, or to avoid a layoff, the employees now need additional training. To qualify as an incumbent worker, the individual must be:

- Employed,
- Meet the Fair Labor Standards Act requirements for an employer employee relationship, and
- Have an established employment history with the employer for six months or more.

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 with the employer for six months or more as long as a majority of those employees who are being trained meet the employment history requirement.

An incumbent worker does not have to meet the eligibility criteria for WIOA Title I Adult and Dislocated Worker Programs to qualify for incumbent worker training. If, however, the worker receives other services in addition to incumbent worker training, the individual must meet applicable eligibility requirements. Because incumbent worker training is intended to evaluate the employers for eligibility, individuals who receive only incumbent worker training do not qualify as a participant and are not included in calculations for primary indicators of

performance. Employers will be required to submit and SCWDB will maintain data and information on individuals who receive incumbent worker training, including employment status after training, wages after training, credential attainment, and measurable skill gain. The SCWDB may also collect additional employer data such as employer size, industry, and other information to evaluate the effectiveness of incumbent worker programs.

Employer Eligibility

SCWDB will not fund training that is necessary for employers to meet federal "safe workplace" requirements (e.g., OSHA, etc.).

When determining the eligibility of employers to receive WIOA incumbent worker funds, the SCWDB will consider the following factors as incumbent worker training is offered to support workers obtain the skills necessary to retain employment and/or avert layoffs, increase participant or a company's competitiveness, and is conducted with a commitment from an employer to retain or avert the layoffs of the incumbent workers trained:

- The strategy, vision and goals established in the SCWDB Local Plan
- The characteristics of the incumbent workers to be trained (i.e., the extent to which these individuals represent populations with barriers to employment and how these individuals would benefit from a skills gain that results in retention or advancement)
- Whether the training improves the labor market competitiveness of the employees or both the employees and the employer;
- The quality of the training as evidenced by the extent to which it provides advancement opportunities and/or industry recognized credentials.
- The number of participants the employer plans to train or retrain
- The wage and benefit levels of participants both before and as a result of training
- The occupations for which incumbent worker training is being provided must be in-demand as defined by WIOA section 3(23) and the SCWDB targeted industries as stated above.
- Recent lay-offs and relocations. The employer must not have laid off any workers within 120 days to relocate to Kentucky from another state, and
- Employer's unemployment insurance and workers' compensation status. The employer must be current in unemployment insurance and workers' compensation taxes, penalties, and/or interest or related payment plan.

SCWDB will document all factors that were considered in approving an incumbent worker training project with an employer or group of employers.

Funding Incumbent Worker Training

The SCWDB will reserve up to 20 percent of the overall adult and dislocated worker funding allocation for the federal share of the cost of incumbent worker training. To balance the needs of funding for other WIOA employer and career seeker customers, especially those with barriers to employment, other sources of funding such as Rapid Response, which are also intended for layoff aversion and similar purposes, will be the funds of "first use." The maximum amount of incumbent worker training per trainee under this policy is \$3,000. In limited circumstances, based on factors including employer size, trainee barriers, availability of funding and other applicable factors, the SCWDB CEO/President may provide a waiver to provide additional support. The CEO will report the number of waivers provided and the factors that led to the issuance of a waiver on a semi-annual basis to the Board of Directors.

Non-Federal Share Contribution

Employers who receive funds for incumbent worker training are required to pay for the non-federal share of the cost of providing such training; this requirement cannot be waived. SCWDB has established the non-federal share of such costs taking into consideration factors such as: 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 employees, and the availability of other employer-provided training and advancement opportunities.

The non-Federal share can include the amount of the wages paid by the employer to a worker while the worker is attending a training program; the employer may provide the share in cash or in-kind. The non-Federal employer share is based on the size of the workforce as follows:

- At least 10 percent of the cost, for employers with 50 or fewer employees;
- At least 25 percent of the cost, for employers with 51 to 100 employees; and
- At least 50 percent of the cost, for employers with more than 100 employees.

The non-federal share may vary significantly based on the funding source. SCWDB will track and document employer cost share contributions. Official payroll documenting the worker's hours and wages must be utilized to determine the amount of the employer's share of cost.

The employer size is determined by the number of employees currently employed at the local operation where the incumbent worker training placements will be made. This size is determined by defining each employer based on the Federal Employment Identification Number (FEIN) and the number of employees that the FEIN employs. Employer size is determined by the number of employees at the time of the incumbent worker training contract including employers with seasonal or intermittent employee size fluctuations. Employers must provide documentation to exhibit employer size.

In most circumstances, SCWDB will contract with employers for incumbent worker trainings and will support employers as they identify and contract with training providers, if the employer has not yet identified a provider.

Individual grants to South Central KY businesses in the 10-county region will be limited to \$15,000 per project. Businesses are limited to 1 grant in a 12-month period.

Conflict of Interest

A local board member who is also an employer who wants to use incumbent worker training services is prohibited from voting to approve the use of local area services, facilities, or equipment for employment and training activities to such board member's incumbent workers. Neither membership on the board or its standing committees nor receipt of WIOA funds to provide training and related services, by itself, violates these conflict of interest provisions.

Regulatory Limitations and Prohibited Activities

WIOA title I funds must not be spent on:

- Construction, purchase of facilities or buildings, or other capital expenditures for improvements to land or buildings;
- Sectarian activities;
- Wages of incumbent employees during their participation in economic development activities provided through a Statewide workforce investment system; Public service

employment, except to provide disaster relief employment, as specifically authorized in section 194(10) of WIOA;

- Expenses prohibited under another Federal, State or local law or regulation;
- Subawards or contracts with parties that are debarred, suspended, or otherwise excluded from or ineligible for participation in Federal programs or activities;
- Contracts with persons falsely labeling products made in America;
- Foreign travel;
- Funds provided to employers for incumbent worker training must not be used to directly or indirectly assist, promote or deter union organizing.
- Funds must not be used or proposed to be used for the encouragement or inducement of a business or part of a business to relocate from a location in the United States if the relocation results in any employee losing his or her job at the original location.
- Funds must not be used or proposed to be used for any business or part of a business that has relocated from a location in the United States, until the company has operated at the new location for 120 days, if the relocation has resulted in any employee losing his or her job at the original location.
- A participant in an incumbent worker training will not be employed in or assigned to a job if:
 - Any other individual is no layoff from the same or any substantially equivalent job;
 - The employer has terminated the employment of any regular, unsubsidized employee or otherwise caused an involuntary reduction in its workforce with the intention of filling the vacancy with the participant; or
 - The job is created in a promotional line that infringes in any way on the promotional opportunities of currently employed workers.
- A participant in a program or activity authorized under title I of WIOA must not displace (including a partial displacement, such as a reduction in the hours of non-overtime work, wages, or employment benefits) any currently employed employee (as of the date of the participation).
- Incumbent worker trainings are not intended to impair any existing contracts for services or collective bargaining agreements. When a program or activity authorized under title I of WIOA would be inconsistent with a collective bargaining agreement, the appropriate labor organization and employer must provide written concurrence before the program or activity begins.

REFERENCES

- Under section 134(d)(4) of WIOA, 134(d)(4)(D), 134(d)(4)(B), 134(d)(4)(C) and 134(d)(4)(D)(i)-(iii)
- 20 CFR 16 680.780 through .820 of the Final Rule.
- Training and Employment Guidance Letter (TEGL) 19-16, https://wdr.doleta.gov/directives/attach/TEGL/TEGL_19-16.pdf
- Kentucky Career Center - <https://kcc.ky.gov/training/Pages/Employers.aspx>
- WIOA Preliminary Policy on Incumbent Worker Training Programs (IWT), #16-003, Effective Date: April 1,2016

Approved:

3-15-18

Date of WDB Approval

1-11-18

Date of Governance
Committee Approval

Signed by:



Robert Boone, WDB Director



Chair, Governance Committee

SOUTH CENTRAL WDB INCUMBENT WORKER TRAINING GRANT



APPLICATION

Program Year July 1, 2018 – June 30, 2019

An Equal Opportunity/Affirmative Action Employer/Program. Auxiliary aids and services available upon request to individuals with disabilities.

South Central Incumbent Worker Training Grant Application

For an application to be considered, all requested and applicable information must be provided.

SECTION I. BUSINESS INFORMATION

The sections of the application are to be completed by the Applicant. Please complete within the form; the space will expand.

A. Applicant Information

Business Name:			
Street/Mailing Address:			
City/State:		Zip:	County:
Company Contact Person:		Title:	
Phone:	Ext:	Fax:	
E-Mail Address:		Company Web-site:	
Description of Business Product(s) or Service(s):			
Years in business at training location:	Total number of paid employees at this location:		Total number of paid employees throughout KY:
	How many of these employees have an employer-employee relationship?		
Legal Structure of Business:	Sole Proprietor	Partnership	Corporation (Designation)
	For-profit <input type="checkbox"/>	Not-for-Profit (Designation) <input type="checkbox"/>	Other:
Tax Status of Business:	Employer's Federal ID #: <input type="checkbox"/>		Unemployment Insurance ID #: <input type="checkbox"/>

B. Parent Company

Is your company a subsidiary of another company or affiliated with a parent company?	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No

If "Yes," please provide the following information about the corporate office/parent company, if different from above, or indicate 'SAME.'

Parent Company Name:			
Street/Mailing Address:			
City:	State:	Zip:	County:
Authorized Representative:		Title:	
Phone:	Ext:	Fax:	
E-Mail Address:		Company Website:	

C. Business Status Checklist

Has the company been in operation in the any county in the 10-county region (Allen, Butler, Barren, Edmonson, Hart, Logan, Metcalfe, Monroe, Simpson, Warren) during the entire twelve-month period immediately preceding the state's submission deadline date?	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No
Is your company current on all KY state taxes?	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No
Is your company current on all federal taxes?	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No
Is your company current on all county, city and local taxes?	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No
Does your company have an employer-employee relationship with all of the trainees?	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No
Is your company subject to a collective bargaining agreement? (If "Yes," please attach a letter of endorsement for the training from the authorized union official)	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No

SECTION II. AVAILABILITY AND/OR USE OF OTHER FUNDS

A. Please describe the results of any communication with a local community college or publicly-funded college or university concerning the availability of resources through: 1) Their Customized Training Program, and/or 2) other potential training resources that could fund the training described herein.

Circle N/A if not applicable.

NOTE: If more than one contact was made, supply the same information for each contact.

Contact:	Institution:
Outcome of discussion:	

Contact:	Institution:
Outcome of discussion:	

B. Are any of the training components described in this application available from any publicly-funded community college or university?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
C. Has your company previously received any training grants from any government sources within the past 12 months?	<input type="checkbox"/> Yes	<input type="checkbox"/> No

If "YES", please provide the following information about each grant received:

Funding Source:	Amount of Award:	Dates of Grant Period:
Types of training provided:		
Have the terms and agreements of the training been completed? (If no, explain.)		
Yes <input type="checkbox"/>	No <input type="checkbox"/>	
Summary of the outcome(s) from the training:		
Explain the relationship, if any, to the training described in this application:		

Funding Source:	Amount of Award:	Dates of Grant Period:
Types of training provided:		
Have the terms and agreements of the training been completed? (If no, explain.)		
Yes <input type="checkbox"/>	No <input type="checkbox"/>	
Summary of the outcome(s) from the training:		
Explain the relationship, if any, to the training described in this application:		

D. Has your company previously received a South Central WDB Incumbent Worker Training Grant? If yes, please provide the following information about **each** grant received:

<input type="checkbox"/> yes	<input type="checkbox"/> no
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Funding Source:	Amount of Award:	Dates of Grant Period:
Types of training provided:		
Have the terms and agreements of the training been completed? (If no, explain.)		
Yes	No	
Summary of the outcome(s) from the training:		
Explain the relationship, if any, to the training described in this application:		

SECTION III. TRAINING PLAN

A. Training Summary

Anticipated Project Start Date:	
Project Length: (to be no longer than 12 months from date of contract).	
Amount of Funds Requested:	
Number of Employees who will attend only an orientation/introduction of the training: (Do not count this number in the “Number of Employees to be trained”)	
Number of Employees to be trained (Count each one time):	

B. Training Components

See Attachment A for the Training Component Template. The form can be replicated as many times as necessary to include all Training Components requested for funding.

C. Incumbent Worker Defined:

An incumbent worker is:

- a. At least 18 years of age, a paid employee of the applicant business or businesses;
- b. In a relationship that meets the Fair Labor Standards Act requirements for an employer-employee;
- c. An employee with an established employment history with the employer for 6 months or more (the employee must be in an employer-employee relationship at least 6 months prior to the South Central WDB IW Training Grant’s state submission deadline date);
- d. A citizen of the United States or a non-citizen whose status permits employment in the United States; and
- e. An employee to be trained that works at a facility located in the 10-county region.

Are all employees to be trained an eligible Incumbent Worker as described above?

<input type="checkbox"/> Yes	<input type="checkbox"/> No
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D. Project Abstract

Please provide the following information on Attachment B:

1. Background information on the company;
2. Overview of the training (not to exceed ½ page) and information to support the request and need for training;
3. Description of how the requested training will address employees’ skills gaps, improve employee retention, impact company stability, and increase the competitiveness of the employee and employer.
4. Reason for requesting financial assistance to conduct the training.

SECTION IV. BUDGET

A. The applicant is encouraged to apply only for the amount of funds needed to meet its immediate training needs. The project budget should clearly support and relate to the training plan and itemize how the award will be used. **The amount under the “Grant Funds Requested” column below should equal the total of the amounts shown under “Component Cost Charged to Grant” for all Training Components listed in Section III C. Training Components, Attachment A.** All proposed expenses must be allowable, reasonable and necessary (see Attachment C). Please provide the required information on this budget form, rather than submitting attachments.

The applicant must pay for a portion of the cost of providing the training to incumbent workers. This portion is defined as the non-federal share. The non-federal share is based on the following limits:

- At least 10 percent of the cost, for employers with 50 or fewer employees;
- At least 25 percent of the cost, for employers with 51 to 100 employees; and
- At least 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 training. The employer may provide the share in cash or in kind, fairly evaluated. A column has been provided for this information.

Category	Grant Funds Requested	Employer's Non-Federal Share (Wages, in-kind, cash, etc.)*	Explanation and Detail Please place a “G” after all explanation of costs to be paid by the South Central WDB IW funds and Itemize the cost of each Training Component.
Training/Course Registration			(Example: CAD training \$300 x 10 employees=\$3000)
Manuals/Textbooks (itemize)			(Example: 10 Microsoft manuals at \$30 each=\$300)
Training Certifications, Certificates, Credentials, Licenses			(Specify number and type)
Materials and Supplies			

Category	Grant Funds Requested	Employer's Non-Federal Share (Wages, in-kind, cash, etc.)*	Explanation and Detail
Training equipment purchase (can be employer's non-federal share)			
On-site facility usage (can be employer's non-federal share)			
Employees' travel, food, lodging (can be employer's non-federal share)			
Employees' wages (can be employer's non-federal share)			
Total Funds (Both Grant and ENFS)	\$	\$	TOTAL TRAINING INVESTMENT (Grant + ENFS): \$

The South Central Workforce Development Board reserves the right to remove or adjust any part of the budget prior to grant approval.

*The number of employees is based on all locations within the South Central 10-county region.

SECTION V. AUTHORIZATION AND CERTIFICATION

As authorized representative of the Business submitting this application, I hereby certify that:

- I have read the SCWDB Incumbent Worker Training Grant Guidelines and coordinated this application with the SC Workforce Development Board;
- The Business meets the requirements and is eligible to submit this application;
- The information contained in this application is true and accurate and reflects the intentions of the WDB Incumbent Worker Training Grant;
- I am aware that any false information, intentional omissions, or misrepresentations may result in rejection of the application and possible disqualification for future funding;
- I am aware that any false information, intentional omissions, or misrepresentations may subject the Business to civil or criminal penalties;
- I understand that training materials purchased with funds awarded under this project will be in the public domain and will be available for use by other eligible entities at no costs;
- The Business agrees to adhere to all reporting requirements; and to respond to a Customer Satisfaction Survey(s), if asked; and
- The Business agrees to provide all requested data elements as required for federal reporting.

Further, this business shall not discriminate against any employee, applicant for employment, applicant or Workforce Innovation and Opportunity Act participant, subcontractor or potential beneficiaries of employment and training programs or projects because of race, color, disability, religion, age, sex, national origin, political affiliation or belief.

Print Name

Title

Signature

Date

ATTACHMENT A

TRAINING COMPONENT# _____

Course Title:		
Course Description and Objectives:		
Training Schedule (# hours of training):		Estimated Training Dates:
Number of Trainees for Component:		
Training Location:		
Component Cost:	Component Cost Charged to Grant:	
Please provide information for the training provider.		
Name of Training Provider:		
Name of Training Provider Contact:		Phone:
Address:		
City:	State:	Zip:
E-Mail Address:		
Provide the following information for <u>each</u> Instructor of this Component.		
Name of Trainer/Instructor:		
Qualifications of Trainer/Instructor to Teach Component:		
Please provide the information requested in questions 1-3.		
1. Identify the skills gaps of the employees to be trained.		
2. Explain how the training will address the identified skills gap, improve employee retention, impact company stability, and increase the competitiveness of the employee and employer by either: <input type="checkbox"/> Upgrading their skills and knowledge to retain their current job; <p align="center">OR</p> <input type="checkbox"/> Gaining new skills and knowledge so they qualify for a different job with their employer.		
3. How will this training component impact the employees' opportunity for advancement in the company and/or wage increases?		

ATTACHMENT B
REIMBURSEABLE/NON-REIMBURSEABLE TRAINING COSTS

The following is a listing of reimbursable and non-reimbursable training costs for the South Central WDB IW Training Grant:

Allowable Training Costs:

1. Training / Course registration
2. Training that results in participants obtaining an industry-recognized certification or credential to include training preparation for certification exams. Funding must be requested for both the training and the certification exam and completed within the twelve (12) month contract
3. Web-based online training
4. Employee skills assessment that results in primary training funded through the grant
5. Textbooks / manuals used 100% for the training activities
6. Materials and supplies directly related to the funded training
7. Travel for trainers-if the requested training is not available within reasonable proximity to the business

Non-Allowable Training Costs:

1. Employee related costs such as wages, fringe benefits, travel
2. Process improvement or quality-related training
3. Training-related costs incurred prior to the beginning date of the contract with the South Central WDB or after the contract ends.
4. Training that the company or an entity on the company's behalf already provides to its employees.
5. Training that a company is mandated to provide on a regular basis to its employees by federal, state, or local laws
6. Continuing Education Units (CEUs) and other training that is specifically required for an employee or entity to maintain licensure, certification or accreditation
7. Courses that are part of a trainee's pursuit of an educational degree
8. Employment or training in sectarian activities
9. Curriculum design and/or training program development
10. Trainers employed by any business whose employees are being trained to include parent company employees
11. Purchase of employee assessment systems or systems usage licenses (example: site licenses)
12. Company website design and development, website hosting, and maintenance, software or hardware upgrades, advice on computer selection for purchase and upgrade
13. Third party compensation or fees not directly related to the provision of the requested training
14. Any costs that would normally be considered allowable, but for which there is no request/cost for training related to the item(s) within the application
15. Capital improvements, purchase of real estate, to include the construction or renovation of facilities or buildings, and capital equipment or other durable (long lasting and/or reusable) training materials
16. Business relocation or other similar/related expenses

17. Travel outside of contiguous United States or costs associated with bringing a trainer into the country
18. General office supplies and non-personnel services costs (example: postage and photocopying)
19. Membership fees/dues
20. Food, beverage, entertainment, and/or celebration related expenses
21. Job/position profiling
22. Publicity/public relations costs
23. Costs associated with conferences