

Southwest Virginia Workforce Development Board General Policies & Procedures

Policy Name: WIOA Incumbent Worker Training Policy	Policy Number: PP-103 Policy Category: Program Policies
WDB Approval Date: November 18, 2021	References: 20 CFR 680.780-.840; VBWD Policy 403-04; VWL 16-05, change 1
Applicable: All Funding Streams	Replaces: LWDB Policy 015-2009

Introduction

Southwest Virginia Workforce Development Board (SWVA WDB) is the Local Workforce Development Board for the eight jurisdictions of Buchanan, Dickenson, Lee, Russell, Scott, Tazewell, and Wise counties and the City of Norton. Through the One-Stop Delivery System, employers and job seekers have access to a variety of services.

Southwest Virginia Workforce Development Board has established funding to provide training to incumbent workers. Board members, expressing a commitment to assist Southwest Virginia employers in retaining jobs and workers and in preparing a quality workforce, established the program activity in compliance with Virginia Workforce Council Policy Number 02-04.

WIOA funds may be expended for incumbent worker training (WIOA section 133(b)(4)). WIOA funds will be made available through a process designed to assist Virginia businesses, which could include a single firm or a group of firms that share similar workforce needs, using a sector strategy approach to meet the skills training needs of their incumbent workforce.

Purpose and Goals

The goal of the Incumbent Worker Training Initiative is to be more responsive in the provision of employer services to meet the needs of the employer community by providing educational and skills training for incumbent workers. The Incumbent Worker Training Initiative is structured to meet employer and business training objectives by enhancing the skills of existing employees resulting in increased employee productivity, layoff aversion, or company growth. Likewise, incumbent workers develop new, higher-level skills that benefit their employers, facilitate the transition between jobs, and enhance their chances for retention and their potential for increased earnings. In turn, prospering businesses, combined with a more highly skilled workforce, greatly contribute to a successful and thriving economy, thereby creating employment opportunities and prospects of self-sufficiency for other entry-level workers.

Employer Eligibility for Incumbent Worker Training Initiative

Employers who:

- Have been in operation in Virginia for a minimum of one year prior to application for funding;
- Have at least one full-time employee; and
- Are up-to-date on all state and local tax obligations.
- Demonstration of linkages of the training activity to demand occupations and/or regionally-targeted industries;
- The positive relationship of the training to the competitiveness of a participant and the employer;
- The relative wage and benefit levels of those employees (pre-training and anticipated upon completion of the training); and
- The potential state and regional economic impact, if any, of the training project.

Funding Priority

Employers who:

- Submit training applications that indicate a significant upgrade in employee skills and/or employee wage increases as a result of training.
- Submit training applications that reflect a significant layoff avoidance strategy and retention opportunities.

Other applications received that do not meet these priority criterion will be considered if no other higher priority applications have been submitted.

Employee Eligibility

Any worker employed with the eligible business who provides application information required by the Workforce Innovation and Opportunity Act (WIOA):

- At least 18 years of age;
- A citizen of the United States or a non-citizen whose status permits employment in the United States;
- Males born on or after January 1, 1960 must registered with the selective service system within 30 days after their 18th birthday or at least before they reach the age of 26;
- Fair Labor Standards Act requirements are met for employer-employee relations and there is an established employment history with the employer for 6 months or more;
- An employee to be trained that works at a facility located in Virginia or working for a staffing agency and placed at a Virginia facility.
- Recommended by their current employer for IWT in order to address changes in the necessary skills to remain in their position, to remain in their company, or avoid a layoff.

Allowable Training Expenses for WIOA Funding Assistance

- 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-Allowable Costs for WIOA Funding Assistance

- Costs incurred prior to the approval date of the application;
- Construction or purchase of facilities or buildings;
- Business relocation expenses;
- Employment or training in sectarian activities;
- Lobbying activities;
- Direct employee wages.

Training Services

The types of training which may be funded through Incumbent Worker Training Funds include, but are not limited to, Occupational Skills Training which may include:

- Industry or company-specific skills;
- Technical and computer skills

Training may be provided through:

- Community colleges
- Secondary Career Technical Schools
- State colleges and universities
- Skill Centers
- Licensed and certified private entities/institutions
- Company in-house training provider

Requirements and Limitations

A limit of \$12,500 of Incumbent Worker Training Funds may be requested by the company for each project. (Dependent upon available funding, requests exceeding the limit may be considered.) Proposals will be evaluated by the Executive Director.

As a requirement of the Workforce Innovation and Opportunity Act (WIOA) regulations, individuals who participate in the Incumbent Worker Training Initiative will be required to complete a registration form to include such personal information as their Social Security number and date of birth. Individuals for whom the information is not provided will not be included in the reimbursement for training. Additionally, the Board must receive notification and copies of any credential received as a result of the training, including certificates, licenses, etc., as described in Section 681.580. The Workforce Development Board reserves the right to accept or reject any or all applications received or to cancel the process, if necessary.

Funding Available Statewide

Rapid response and local funds are available to provide incumbent worker training. The local board may reserve and use up to 20 percent of the WIOA Title I Adult and Dislocated Worker funds allocated to the local area to pay for the Federal share of the cost of providing a training program for incumbent workers.

Determination of Employer Eligibility

The VBWD defines the following criteria for employer eligibility. Local workforce development boards (LWDB) are expected to develop local policy that conforms to these criteria.

- Demonstration of linkages of the training activity to demand occupations and/or regionally-targeted industries;
- The positive relationship of the training to the competitiveness of a participant and the employer;
- The relative wage and benefit levels of those employees (pre-training and anticipated upon completion of the training); and
- The potential state and regional economic impact, if any, of the training project.

The Governor and the State Workforce Board may make recommendations to the local board for providing incumbent worker training that has statewide impact. WIOA Rapid Response funds may also be used for incumbent worker training. These funds will be made available to provide Virginia businesses with early intervention to avoid layoff situations.

Non-Federal Share of Training Costs

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

The non-Federal share shall not be less than:

- i. 10 percent of the cost, for employers with not more than 50 employees;
- ii. 25 percent of the cost, for employers with more than 50 employees but not more than 100 employees; and
- iii. 50 percent of the cost, for employers with more than 100 employees.

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

Prohibition on Use of Funds to Encourage or Induce Relocation

No funds provided under this title shall be used, or proposed for use, to encourage or induce the relocation of a business or part of a business if such relocation would result in a loss of employment for any employee of such business at the original location and such original location is within the United States.

Restrictions on Use of Funds After Relocation

No funds provided under this title for an employment or training activity shall be used for customized or skill training, on-the-job training, incumbent worker training, transitional employment, or company-specific assessments of job applicants or employees, for any business or part of a business that has relocated, until the date that is 120 days after the date on which such business commences operations at the new location, if the relocation of such business or part of a business results in a loss of employment for any employee of such business at the original location and such original location is within the United States.

Business Services

Incumbent worker training is an important business services initiative that is designed to benefit business and industry by assisting with existing employees' skill development and by increasing employee productivity and company growth. LWDBs must detail incumbent worker training in the business services plan. Incumbent worker training will be tracked in the business engagement report and will be reported to the VBWD .

Outcomes

Strategies for developing new workforce skills in the existing workforce shall be designed to benefit business and industry in ways that encourage and support the integration of new technology and business processes, increase employee productivity and support the competitiveness of the company. Incumbent worker programs create a number of positive outcomes including:

- Improving the alignment of existing workers' skills with new job requirements;
- Providing individuals access to new career opportunities within a business;
- Encouraging the retention of existing personnel who otherwise may become dislocated because of skills deficiencies;
- Increasing the wages of newly trained workers;
- Creating new opportunities for entry-level workers through the promotion of existing workers; and
- Supporting the overall enhancement of local and regional economic development efforts.

Employer Application Process

Employers interested in utilizing the Incumbent Worker Training Program should contact the Southwest Virginia Workforce Development Board's Business Solutions Coordinator. The Business Solutions Coordinator will work with the employer to complete the application, gather documents, and ascertain what type of training is needed.

Documentation Requirements

Employers must submit the following documentation included in the IWT application packet:

- IWT Employee Information and Eligibility Documentation
- IWT Training Description and Budget Worksheet
- EEO Rights Notification Form

Appeal process for employers who wish to appeal decisions made to terminate IWTs or disqualify employers from participating in future IWTs:

Employers may appeal any decisions made to terminate active OJT contracts or decisions that disqualify an employer from participating in future OJTs may do so within 60 days of the decision. The employer must send a letter outlining why they are appealing the decision to the SWVA WDB Board Chair. A committee will be established of board membership to review the appeal within 30 days and make a final determination at that time.