



BLUE RIDGE REGION

Title: Incumbent Worker Training Policy	
Effective Date: 1/27/2017	Revised Date: 9/22/2022

Purpose

To establish local policy and procedure on implementing Incumbent Worker Training funding activities through the Workforce Innovation and Opportunity Act (WIOA) Title I Adult and Dislocated Worker programs.

References:

- VWL 16-05 Change 1 Incumbent Worker Training
- VWL 16-05 Change 1 Attachment A Incumbent Worker Training Data Entry Process
- VWL 16-05 Change 1 Attachment B Incumbent Worker Training Eligibility Documentation
- VWL 16-05 Change 1 Attachment C Incumbent Worker Training Required Data Elements
- Workforce Innovation and Opportunity Act of 2014 Section 122 and Section 134
- Training and Employment Guidance Letter (TEGL) WIOA No. 03-15, Guidance on Services Provided through the Adult and Dislocated Worker Program under the Workforce Innovation and Opportunity Act and Wagner Peyser, as Amended by WIOA, and Guidance for the Transition to WIOA Services
- Workforce Innovation and Opportunity Act; Employment and Training Administration; Labor Final Rule, Subpart F—Work-Based Training Sections 680.700 through 680.840
- Virginia Board of Workforce Development (VBWD) Policy 403-04 Incumbent Worker Training

Policy

Incumbent Worker Training is a form of work-based training that is designed to ensure that employees of a company are able to acquire the skills necessary to retain employment and advance within the company, thus creating backfill opportunities for the employer, or to provide skills necessary to avert a layoff. It 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. Incumbent Worker Training may be provided to a single firm or a group of firms that share similar needs using WIOA Title I Adult and Dislocated Worker funds and are paid directly to the employer for reimbursement for training costs. Up to 20% of local WIOA Title I Adult and Dislocated Worker program allocated funds may be reserved and used to pay for the federal share of the cost of providing a training program for incumbent workers. Statewide rapid response funds may also be requested from the Virginia Community College System (VCCS) for additional Incumbent Worker Training activities beyond local formula funds.

Procedure

Employer Eligibility

All employers that request funding for Incumbent Worker Training will be evaluated based on the following criteria:

- Demonstration of linkages of the training activity to demand occupations and/or regionally targeted industries.

- All training will be for occupations identified as in demand in the labor market and determined to be of priority in the region's Local Plan.
 - Staff may request a waiver for training outside of these target sectors and occupations. Waivers must be requested, with all required documentation, and approved by the WVVDB Director prior to approving funding for the participant. (No more than 5% of funds budgeted annually by line item and by program may be available for waivers) Waiver documentation must include, at a minimum:
 - Justification by the employer of the industry being in-demand
 - Statement by the employer noting anticipated growth of the occupation(s)
 - Local labor market information, including data and at least 3 job different job openings paying a self-sufficient wage for the occupation(s) connected to the training
- 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). Employees participating in Incumbent Worker Training activities must earn, or be eligible for a wage gain to earn, at least the hourly living-wage identified for the locality in which the business resides.
 - The living-wage for each locality can be found using the Massachusetts Institute of Training's Living Wage Calculator found here: <https://livingwage.mit.edu/>
- The potential state, regional, and local economic impact, if any, of the training project

Employee Eligibility

Because of the unique nature of the Incumbent Worker Training program, where the WVVDB evaluates the employers for eligibility consistent with §680.810, individuals receiving Incumbent Worker Training are not subject to the same eligibility criteria that apply to participants in the WIOA Title I Adult or Dislocated Worker programs, unless they are also receiving other services under those programs. Therefore, individuals who only receive Incumbent Worker Training services and no other WIOA Title I Adult and/or Dislocated Worker services, do not fall within the definitions of "participant" in 20 CFR §677.150(a). As such, those that are receiving only Incumbent Worker Training shall be reported as an "individual" and not a WIOA Title I program participant.

To report employees as individuals as stated above, the following eligibility must be documented on all employees participating in incumbent worker training:

- The employee is at least 18 years of age
- The employee is a citizen of the United States or a non-citizen whose status permits employment in the United States
- If the employee is a male born on or after January 1, 1960, verification of registration with the United States Selective Service system within 30 days after their 18th birthday or before they reach the age of 26
- The employee's employment meets the Fair Labor Standards Act requirements for employer-employee relations

- The employee has an established employment history with the employer for 6 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 6 months or more as long as the majority (51%) of those employees being trained meet the employment history requirement.
- The employee is a paid, full-time employee that works at a facility located in Local Workforce Development Area (LWDA) 3 or works for a staffing agency and is placed at a facility in LWDA 3.

Funding Parameters

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 of the cost, for employers with not more than 50 employees
- 25 percent of the cost, for employers with more than 50 employees but not more than 100 employees and
- 50 percent of the cost, for employers with more than 100 employees.

Incumbent Worker Training per program year (July 1 – June 30) may not exceed \$3,500 per employee and \$8,000 in total. Exceptions to these maximum amounts may be approved by review & approval of the Western Virginia Workforce Development Board, only if done PRIOR to obligation/authorization.

Examples of costs that are covered by Incumbent Worker Training funds includes:

- Training for participants for productive, high demand employment
- Work-site-based learning strategies using cutting-edge technology & 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 & supplies
- Textbooks
- Off-site facility rental expense directly related to and necessary for the training
- Rental of tools and equipment critical to the training
- Travel expense and per diem of instructor
- Instructor/trainer fees

Examples of costs that will not be covered by Incumbent Worker Training funds includes:

- 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



BLUE RIDGE REGION

- Lobbying activities
- Employee participant wages

The WVVWDB and any employer that receives funding for Incumbent Worker Training will follow all current and future guidance provided by state & federal agencies. Employers wishing to receive funding for Incumbent Worker Training must complete the WVVWDB's Incumbent Worker Training Application and submit required documentation to WVVWDB staff. The employer may select the training provider for Incumbent Worker Training, but if the employer requires assistance with identifying applicable training providers, the WVVWDB is able to assist in this manner.

WVVWDB staff will review submitted and complete applications for adherence to federal, state & local policies. WVVWDB staff will also evaluate applications based on the availability of funding. If determined eligible for funding, WVVWDB staff will work with the employer to obtain additional required information for documenting participating employees' eligibility. Applicable information and documentation will be entered and uploaded into the Virginia Workforce Connection (VaWC), as required by federal and state policy. Upon completion of training and/or reimbursement for training, the employer must submit documentation of expense and training reimbursement request to WVVWDB staff for processing. Upon receipt of acceptable documentation, reimbursement payment will be processed for employer within 45 days of receipt of complete and accurate reimbursement request.