

Policy Name:	Incumbent Worker Training (IWT) Policy
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Policy:

The purpose of this policy is to provide funding guidance and processes for Workforce Innovation and Opportunity Act (WIOA) formula funding to support Incumbent Worker Training (IWT) strategies and initiatives aimed at promoting a highly skilled and job-ready workforce that meets the needs of City of Syracuse and Onondaga County employers. Incumbent worker training provides both workers and employers with the opportunity to build and maintain a quality workforce. It is a type of work-based training and upskilling designed to ensure that employees of a company can acquire the skills necessary to retain employment and advance within the company, or to acquire the skills necessary to avert a layoff. Incumbent worker training is NOT permitted to be used to provide the occupational training a new hire needs.

An “incumbent worker” is defined as an individual who has an established employment history with an employer for six months or more. * Incumbent worker training includes training by an employer or training provider in close partnership with an employer that is provided to a paid participant while engaged in productive employment that:

- 1) Provides knowledge or skills essential to the full and adequate performance of the occupation;
- 2) Provides employer reimbursement for training costs in accordance with schedule outlined in “Costs Eligible for Employer Training Reimbursement” section (page two); and
- 3) Is limited in duration as appropriate to the occupation for which the participant is being trained.

WIOA funds may be expended for incumbent worker training (WIOA section 133(b)(4)), noting that up to twenty percent (20%) of adult and dislocated worker formula funding allocations provide for the federal share of the cost of providing incumbent worker training (WIOA section 134(d)(4)). IWT is intended to be responsive to the special requirements of a single employer or group of employers sharing similar workforce needs, using a sector strategy approach to meet the skills training needs of their incumbent workforce.

Incumbent Worker Training Eligibility Requirements

- I. Incumbent Workers (a.k.a. Employees or Participants) – All employees participating in incumbent worker training must meet the eligibility 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;
 - Males born on or after January 1, 1960, must register with the selective services system within 30 days after their 18th birthday or at least before they reach the age of 26;

Incumbent Worker Training Eligibility Requirements (Continued)

- Meet the Fair Labor Standards Act requirements for employer-employee relations and have an established employment history with the employer for six months or more. *

*NOTE: If incumbent worker training is 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 if a majority (51 percent or more) of the employees being trained meet the employment history requirement.

An incumbent worker does not have to meet eligibility requirements for career and training services for adults and dislocated workers under WIOA, unless they are also enrolled as a participant in the WIOA adult and dislocated worker program.

II. Employer Eligibility:

- The business has operated in New York for a minimum of one year prior to the IWT application date, with at least one employee other than the owner if the employer is a private business;
- The business must be headquartered or have at least one physical location in Onondaga County at the time of application. Funds must be expended on employees working at the applicant's Onondaga County facility.
- Current on all New York State tax obligations, including all applicable county and local taxes;
- Demonstration of linkages of the training activity to demand occupations or regionally targeted industries;
- The positive relationship of the training to the competitiveness of the participant and the employer, and the potential local and regional impact, if any, of the training project.
- The relative wage and benefit levels of those employees (pre-training and anticipated upon completion of training); and
- Completion and acceptance of a standardized proposed training program application as a prerequisite for training services, a minimum of thirty (30) days prior to the training date;
- Verification that trainees earn \$30.00 or less per hour, and that they are permanent, full-time employees, working 32 hours or more per week and be employees of the applicant business, not independent contractors, or contract employees. Part-time employees may be trained if training will result in their becoming full time employees; and
- Assurance that sufficient information will be provided to include participants in federal and state reporting requirements.

Costs Eligible for Employer Training Reimbursement*

- 1) Employers are required to pay for a significant cost of the training for those individuals who are in incumbent worker training. This can be done through both cash payments and fairly evaluated in-kind contributions. The wages paid to individuals while in training may be considered as a source of matching funds. Employer IWT Applications will consider the number of employees participating in the training, the wage and benefit levels (at the beginning and anticipated upon

completion of 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 minimum amount of employer share in the Incumbent Worker Training costs depends on the size of the employer:

- At least 10 percent (10%) of the cost, for employers with 50 or fewer employees;
 - At least 25 percent (25%) of the cost, for employers with 51 to 100 employees; and
 - At least 50 percent (50%) of the cost, for employers with more than 100 employees.
- 1) Instruction costs: Wages for instructors and training coordinators capped at actual amount or \$50 per hour if employed by the applicant (whichever is less); public and private sector school tuition, training vendor contracts;
 - 2) Materials and supplies costs: Training texts and manuals, audio visual materials, skills assessments (documents or services to determine training needs), Computer Based Training (CBT) software; and
 - 3) Other costs: Fees for facility rental associated with the training contract and fees directly related to the training.

*All expenses are subject to allowability under OMB Uniform Guidance and WIOA regulations.

Costs Ineligible for Employer Training Reimbursement

- 1) Trainee's wages and fringe benefits during training;
- 2) Travel costs for trainees for training located off-site;
- 3) Travel for trainers and training coordinators (company and training provider);
- 4) Foreign travel;
- 5) Purchase or lease of capital equipment;
- 6) Construction or purchase of facilities or buildings;
- 7) Business relocation expenses;
- 8) Advertisement or recruitment;
- 9) Meals and entertainment;
- 10) Administrative costs;
- 11) Charitable contributions;
- 12) Lobbying activities;
- 13) Losses, fines, and penalties;
- 14) Any costs incurred prior to the approval date of the IWT contract;
- 15) Conferences; and
- 16) Employment or training in sectarian activities.

Prohibitions and Restrictions on Use of Funds

- 1) No funds provided under this policy 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 the loss of

employment for any employee of such business at the original location and such original location is within the United States.

- 2) A business or part of a business that has relocated from any location in the United States, until that company operates for 120 days within Onondaga County or the Central New York Region, if the relocation has resulted in any employee losing his or her job at the original location. (WIOA Section 683.260 (a)(2))
- 3) Businesses that have a history or pattern of failing to provide WIOA participants with continued employment with wages, benefits, and working conditions that are equal to those provided to regular employees who have worked a similar length of time and perform the same type of work will not be allowed to participate in IWT.

Considerations

The following additional considerations may be used to determine IWT support as part of a layoff aversion strategy:

- The characteristics of the individuals in the program (e.g., individuals with employment barriers);
- The changing skills requirements are outside of normal skill growth and upkeep that would be provided by the employer;
- The training will prepare workers to address these skill gaps;
- Unless provided with the training, the potentially laid-off worker does not have marketable, in-demand skills;
- The new skills can be attained in a reasonable period given the skills required for the participant to become proficient in the occupation for which the training is being provided; skill requirements of the occupation, the academic and occupational skill levels of the participant(s), prior work experience, and the participant(s)' Individual Employment Plan (IEP); and
- There exists a strong possibility of a job, either with the existing or a new employer, if the potentially laid-off worker attains new skills.

Expected Outcomes

Incumbent worker training is responsive to the special requirements of an employer or a group of employers in partnership with other entities for the purposes of delivering training to:

- Help avert potential layoffs of employees, or
- Increase the skill levels of employees so they can be promoted within the company and create backfill opportunities for the employers.

Employee retention is an important incumbent worker training goal. Businesses are expected to provide training to employees resulting in the acquisition of transferable skills or an industry-recognized certification or credential, thereby enhancing their long-term employability, career growth and earnings potential. Given that employee retention is critical to an employer's long-term success and sustainability,

it is expected that if any of the workers trained through this program are either laid-off or terminated within one year of the end date of the contract, the employer will be required to provide information related to these outcomes. Pending investigation and evaluation, the employer may be considered ineligible for future WIOA funding if the employer exhibits a failure to provide employees receiving IWT with long-term employment. Further, CNY Works, Inc. may consider pursuing employer reimbursement for the IWT costs associated with the laid off or terminated workers, if it is prudent and economically responsible to pursue this course of action.

Application Process

All employers must complete a CNY Works, Inc. Incumbent Worker Training Application a minimum of thirty (30) days prior to the training program start date. Applications cannot be approved for training that has already started or has been completed. Please allow adequate time for application processing for funds requested under \$10,000.00. For funding requests for \$10,000.00 or more, up to eight (8) weeks processing time is advisable as these contracts require Onondaga County Workforce Development Board Directors' approval.