



<p>WORKFORCE INNOVATION AND OPPORTUNITIES ACT POLICY & PROCEDURE</p>	<p>INCUMBENT WORKER TRAINING POLICY</p>	<p>EFFECTIVE/APPROVAL DATE: 5.10.17 REVISION DATE: APPROVED BY: RWDB EXEC COMM PAGES: 1-4</p>
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PURPOSE

This policy provides guidance, along with tools and methods relative to decisions about which potential incumbent worker training projects should be funded with WIOA funds. It requires WIOA service providers to create local procedures and processes by which employers, workers, or groups of workers should be selected as priority incumbent worker training projects, it provides a uniform method to assess the suitability of these projects to receive WIOA funds for Incumbent Worker training, and it sets the minimum parameters to determine the shares of cost for WIOA and employer co-financing of Incumbent Worker training projects.

BACKGROUND:

Incumbent Worker training increase both a participant’s and a company’s competitiveness.

An ideal incumbent worker training provides participants with new skills that allow them to acquire higher paid job within the company, while allowing the company to backfill the incumbent worker’s vacated position.

Incumbent Worker training projects are designed to meet the special requirements of an employer (including a group of employers) to **retain** a skilled workforce and/or to **avert** lay-offs.

The Workforce Alliance of the North Bay (The Alliance) adopts the methodology contained in this policy for assessing employer training plans and employee benefits, which can establish the viability of each proposed Incumbent Worker Training project. The intent is to limit the financing of Incumbent worker projects to those projects that show a worthwhile return on WIOA investment.

POLICY STATEMENT:

Each WIOA service provider, with concurrence from their governing subcommittee, will identify a minimum score that employers must reach in order to qualify for WIOA financing of a proposed incumbent worker training project. That scoring threshold will allow the Service

Provider to use up to 20 percent of its total Adult and Dislocated Worker funds for Incumbent Worker Training.

The Service Provider must work with The Alliance business service representative and execute a contract with the employer detailing the intent of the program, the obligations of the employer, and how payments are contingent on the employer fulfilling the training and retaining commitments used in the uniform scoring determination.

Incumbent Worker Eligibility Criteria: An incumbent worker must be:

1. A U.S. citizen or otherwise legally entitled to work in the U.S.;
2. Age 18 or older;
3. Registered for the Selective Service (males who are 18 or older and born on or after January 1, 1960) unless an exception is justified;
4. Employed;
5. Meet the Fair Standards Act requirements for an employer-employee relationship; and
6. Have an established employment history with the employer for six (6) months or more.

Employer Eligibility Criteria:

The following factors must be measured and scored to determine if the WIOA Service Provider chooses to use WIOA funding. Each WIOA local subcommittee can set a unique minimum score in order for the Service Provider to proceed. The points are earned by using the following criteria:

1	Is the Employer in an Industry Sector that qualifies for a First or Second Priority Tier Industry as detailed in The Alliance’s Strategic Plan? (First Tier = 4 points, Second Tier = 2 points, Not a First or Second Tier industry = -2 points)	
2	Will current employees lose jobs without training? (Yes = 2 points, No = 0 points)	
3	If employees are laid off, is the existing local labor market conducive for them to quickly become reemployed? (No = 2 points, Yes = 0 points)	
4	If employees are laid off because of skill deficiencies, does the local labor market have skilled job seekers that would meet the employer’s needs? (No = 2 points, Yes = 0 points)	
5	What portion of vulnerable employees will get training? (90%-100% = 4 points, 50%-89% = 3 points, 20%-49% = 2 points, 10%-19% = 1 points, <10% = 0 points)	

6	When existing employees are trained and increase their skills, what will the extent of their higher wages be. (>20% = 5 points, 15%-20% = 4 points, 10%-15% = 3 points, 5%-10%=1 points, <5% = 0 points)	
7	Will employees who are not trained likely be laid off? (No = 0 points, Yes = 2 points)	
8	Will vulnerable employees (those who may not receive training and subsequently be laid off) fall under The Alliances Priority of Service definition? (Yes = 4 points, No = 0 points)	
9	Will the employer expand their workforce because trained employees are promoted, at least on a one to one ratio? (i.e., For every trained employee who is promoted, will the employer add an entry level job and expand their workforce?) (Yes = 6 points, No = 0 points)	
10	Will the training provide an industry recognized credential? (Yes = 4 points, No = 0 points)	
11	Will the learned skills enhance trained employees' portable skills in the industry and/or region? (i.e., Skills that can be transferable or "portable" and used productively in different employment contexts, jobs and enterprises, and their ease or degree of transferability. (Yes = 2 points, No = 0 points)	
12	What is the break-even point when wage gains equal WIOA investment? (A mathematical formula to evaluate the length of time the employees wage gain will surpass the WIOA investment.) (Less than 6 months = 10 points, >6 months to 12 months = 8 points, >12 months to 18 months = 4 points, between 18+ months and 24 months = 2 points, greater than 24 months = -2 points)	

Employer Share of Training Costs:

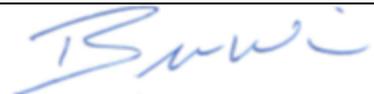
The employer required share of cost will increase with the number of workers they have. Smaller employers may qualify for a greater WIOA share of cost on a sliding scale formula as follows:

- Employers with 50 or fewer employees must pay at least 10 percent of the cost
- Employers with 51 to 100 employees must pay at least 25 percent of the cost
- Employers with more than 100 employees must pay at least 50 percent of the cost

The local WIOA service provider may negotiate employer shares of cost at a greater level than the sliding scale above.

The reimbursable “cost of training” will be limited to booked costs that include third party education and training, in house trainer staff that are teaching/training/coaching incumbent workers, and any space or other atypical business costs incurred for the sole purpose of training incumbent workers. The cost of salaries and wages paid to the incumbent workers (while they are participating in training) will only be considered “training costs” when those incumbent workers are not engaged in productive work. If incumbent worker trainees are doing work that is/will create employer revenue, those wages/salaries will not constitute “training costs.”

A 20 percent hold on reimbursement must be held by the Service Provider and released 90 days after the incumbent worker has completed training, and has been retained in the higher paid job.

	Incumbent Worker Training		
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