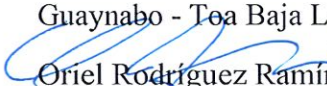




Public Policy #17-09

For the Development of Training Activities for Incumbent Workers

Date: December 8, 2017
To: Guaynabo - Toa Baja Local Workforce Development Area
From:  Oriel Rodríguez Ramírez - Local Workforce Development Board (LWDB)

I. INTRODUCTION

The Workforce Innovation and Opportunity Act (WIOA) promotes talent development activities to enhance workforce employment and retention, ultimately boosting the workforce, fulfilling employer training needs, and enhancing the country's productivity and competitiveness.

The Incumbent Worker Training Program offers businesses a means to upgrade skills, enhance competitiveness, and improve overall business productivity. This program serves as a valuable tool for job retention, preventing closures and layoffs.

II. PURPOSE

The purpose of this policy is to outline the criteria and guidelines to be implemented by the Guaynabo-Toa Baja Local Area's Local Board in determining the activities to be provided to Incumbent Workers. This policy sets forth the eligibility criteria, cost-sharing arrangements, overall purpose, and the commitment to retaining participants in their current employment.

III. LEGAL BASIS

20 CFR 680.780-820, 683.250 of the Federal Regulations, establishes who is an incumbent worker for purposes of training and employment activities. Furthermore, 20 CFR 680.530 establishes the requirements for an Incumbent Worker Training provider.

Section 134(d)(4)(A)(i) of WIOA grants authority to the Local Board to allocate up to 20% of the combined budget allocation of adult and dislocated worker funds for incumbent worker training purposes.

IV. PUBLIC POLICY

The purpose of this public policy is to outline the guidelines and requirements for the Incumbent Worker Training (IWT) activity. The IWT program aims to prevent employee layoffs, enhance the skill levels of workers, and create competitive opportunities for employers.

General Requirements for IWT Activities:

1. Contracts with employers will not be entered if they have a history of providing inadequate long-term employment, including wages, benefits, and working conditions that are not comparable to regular employees with similar tenure and duties.
2. Once funds are available, contracts for IWT activities may be entered into for eligible individuals who:
 - a. They earn \$13.00 per hour or less. Priority will be given to individuals earning below the local area's self-sufficiency threshold.
 - b. It is determined that the IWT activity is necessary to prevent potential employee layoffs and enhance the occupational skills of workers to support their continued employment.
3. The Guaynabo-Toa Baja Local Workforce Development Area (GTB-LWDA) expects companies utilizing IWT funds to retain the trained individual as a full-time employee with benefits and maintain similar working conditions to other employees in comparable roles for a minimum of six (6) months following the completion of training.
4. IWT contracts will not be awarded for low-skilled jobs that typically require minimal or no training.
5. IWT contracts will be prioritized for businesses in sectors such as healthcare, manufacturing, construction, energy, professional services, scientific and technical services, and other occupations in high demand.
6. According to 20 CFR 683.200 (g), individuals cannot be placed in an employment activity if they are directly supervised by or directly supervise a member of their immediate family. Immediate family members include spouses, children, parents, in-laws, siblings, uncles, aunts, nephews, nieces, stepparents, stepchildren, grandparents, or grandchildren.

The following eligibility criteria are established as public policy by the Local Workforce Development Board for the award of funds under the Incumbent Worker Training Program:

- Must be currently employed and require additional training to avoid potential layoffs or secure continued employment with the same company.
- Must have an employer-employee relationship as defined by the Fair Labor Standards Act.
- Must have a minimum employment history of six (6) months with the same employer, unless the training is provided to a group of incumbent workers, in which case the majority of employees in the group must have an established work history of six (6) months or more with the employer.

The following criteria should be considered when determining an employer's eligibility to receive Adult or Dislocated Worker Program funds for incumbent worker training:

- Assess the needs and potential benefits for the incumbent workers who will undergo training, including how the training will contribute to their job retention and career advancement.
- Evaluate the quality of the training program, considering factors such as opportunities for skill development, credentials, and advancement within the company.
- Determine the number of employees who will be trained or retrained through the program.
- Assess the wages and level of benefits that participants will receive both before and after training.
- Note that the funds cannot be used for training new employees; they are specifically allocated for incumbent workers.

Additionally, the program can be utilized for underemployed workers, such as those seeking full-time employment but currently working part-time due to economic reasons. The focus of the training should be on enhancing skills to pursue higher-skilled positions within the industry, leading to increased earnings through longer hours or higher pay. The Employment and Training Administration (ETA) recommends that, once incumbent workers enhance their skills, employers prioritize filling vacancies with WIOA participants.

The Local Board is responsible for developing a process to document the six-month work history requirement for incumbent workers. This process should be included as a requirement in the contract between the Local Board and the employer for future fund allocations.

V. DURATION OF THE IWT

The maximum duration for an IWT activity is set at 6 months. However, the actual duration of an IWT will be determined based on the specific needs of the participant, rather than being strictly limited to the maximum time allowed by this policy. The determination of need will be based on information provided by the Specific Vocational Preparation (SVP) Range, which can be found on the onetonline.org website. In addition to considering the skills and experience of the participants, it is recommended to use the SVP provided by ONET as a guideline for determining the appropriate length of training.

LEVEL	DURATION
1	<1 month
2	1 month
3	>1-3 months
4	>3-6 months
5	>6 months
6	>6 months
7	>6 months
8	>6 months
9	>6 months

VI. REQUIREMENTS FOR EMPLOYERS:

To participate in the Incumbent Worker Training Program and receive funds from the Guaynabo-Toa Baja Local Area, employers must adhere to the following requirements:

1. All participants must receive benefits and working conditions that are comparable to those provided to other employees who have a similar length of employment and perform similar work.
2. The position for which training is provided should offer fringe benefits that are consistent with other similar positions within the company.
3. Training activities must comply with the wage and labor standards outlined in WIOA section 181(a)(1)(A) and 20 CFR 683.275. The employer must adhere to the worker protection requirements as specified in sections 181(a)(1)(A) and (B), (b), (2), (3), (4), and (5), as well as section 188 of WIOA.
4. The employer agrees to cooperate with monitoring efforts as required by WIOA and to comply with all applicable local, state, and federal rules and regulations.

5. The use of funds should not be aimed at assisting, promoting, or discouraging any union organization.
6. The employer agrees to promptly respond to any request made by the staff of LWDA Guaynabo-Toa Baja for wage information and participant withholding details. This information is necessary for monitoring and reporting purposes.
7. The employer agrees to retain the trained employees for a minimum period of 6 months after the completion of training. Failure to comply with this requirement may lead to the determination of the employer's ineligibility to receive further training funds. This provision ensures that the investment made in training the employees is effectively utilized and contributes to the stability and growth of the workforce.

VII. EMPLOYER PAYMENT REQUIREMENT

Employers are required to contribute a portion of the cost of training for participants in the incumbent worker training program. This contribution can be made in the form of cash or in-kind payments. According to Section 134(d)(4)(D) of WIOA, the Local Board is responsible for establishing public policy regarding the form of payment for employers receiving incumbent worker funds. Wages paid to participants during their training may be considered as a source of matching funds.

The rules for matching funds can be found in the Uniform Guidance, issued at 2 CFR 200.306, and the USDOL exceptions, issued at 2 CFR 2900.8. The minimum employer contribution amount depends on the size of the business:

- Employers with 50 or fewer employees are required to contribute at least 10 percent of the training costs.
- Employers with 51 to 100 employees are required to contribute at least 25 percent of the training costs.
- Employers with more than 100 employees are required to contribute at least 50 percent of the training costs.

The employer's contribution must be reported on the ETA-9130 Quarterly Financial Report. Local areas utilizing incumbent worker training should ensure that contracts with employers include the necessary information to accurately report participant contributions in this report.

It is the responsibility of the Designated Local Area to identify and document the cost-sharing arrangements between the employer and the program.

VIII. EFFECTIVENESS

This public policy shall become effective immediately after its approval.



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We have support services for people with disabilities, upon request."