

INCUMBENT WORKER TRAINING POLICY

Policy #15-02
Revision #2
Effective Date:7/7/17

Purpose

Incumbent Worker Training (IWT) is intended to support the establishment of strategic partnerships with local employers whereby appropriate Workforce Innovation and Opportunity Act (WIOA) funded training solutions may be provided for specific existing workers (Incumbent Workers). IWT is a form of work—based training that is designed to ensure that employees of a company can acquire the skills necessary to retain employment and advance within the company, thus creating backfill opportunities, or to provide the skills necessary to avert a layoff. While it is designed to either assist workers in obtaining the new skills necessary to advance their employment or to avert layoffs, it must increase both a worker's and a company's competitiveness. Up to 20% of the WIOA Adult and Dislocated Worker Formula Funds allocated to Hampton Roads Workforce Council for a Program Year may be used to support IWT.

IWT 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. IWT is authorized under Sections 122 and 134 of WIOA and implemented in accordance with Virginia Board of Workforce Development (VBWD) Policy #403-04 and VCCS VWL #16-05, Change #1.

Incumbent Worker Eligibility

While there is no income eligibility requirement for Incumbent Workers, the following eligibility requirements apply and must be verified and documented:

1. Eighteen (18) years of age or older; a U.S. Citizen or non-U.S. Citizen legally authorized to work in the United States; compliant with the Military Selective Service Act (MSSA) Requirements; and,
2. Currently employed by the participating employer as a paid full-time employee; meet the Fair Labor Standards Act (FLSA) requirements for an employer-employee relationship; have an established work history with the employer for six (6) consecutive months or more (if training is being provided to a cohort of employees, not every employee in the cohort must have an established work history with the employer for six (6) months, provided that the majority of the employees in the cohort meet the six (6) month requirement; and,
3. Need training to support continued employment and/or avert a layoff, be promoted and/or be successful in their employment with the company, as determined by the employer; and,
4. Work at a facility located in the Commonwealth of Virginia or work for a staffing agency and placed at a Virginia facility

Employer Eligibility

The following eligibility requirements for Employers must be verified and documented:

1. Has operated in the Commonwealth of Virginia during the twelve (12) month period prior to the application date for funding, with at least two (2) full-time, non-temporary employees; and,
2. Current on all Virginia tax obligations, including all applicable county, city and local taxes; and,
3. Proposed training is for employees based within the Commonwealth Virginia and there is a positive relationship of the proposed training to the competitiveness of the employee and employer; and,
4. Engaged in a high demand/growth industry sector, as determined by Hampton Roads Workforce Council. Labor Market Information (LMI) and have a demonstrated linkage to such; and,
5. Completion and acceptance by Hampton Roads Workforce Council of an IWT Pre-Award Review and Proposed Training Program Application, as prerequisites for the funding of training services.

Note: A business or part of a business that has relocated from any location in the United States, if the relocation has resulted in any employee losing their job at the original location, is not eligible until the company has operated for at least one hundred and twenty (120) days. Also, no funds provided to an employer may be used to encourage or induce the relocation of a business or part of a business, if such relocation would result in a loss of employment at the original location and such original location is within the United States.

Incumbent Worker Positions

Positions in which Incumbent Workers will be placed or retained upon the successful completion of training must be full-time, non-temporary, at an hourly wage of at least \$12.00 per hour and provide full company benefits including healthcare, unless otherwise authorized by Hampton Roads Workforce Council. Incumbent workers trained under this Policy may not displace any other regular worker. For the purpose of this Policy full-time employment will be determined by the employer but in no case may be less than thirty-five (35) hours per week.

Training Services, Contracting, Training Duration and Employer Reimbursement

Training must be for occupational skills that are directly related to the employer's company and industry. All training services must result in the receipt of a recognized training credential for the employee upon the successful completion of training.

Hampton Roads Workforce Council will enter into a contract with the employer which will detail the training services, training provider, number of authorized employees, reimbursement amount, period of performance and other applicable requirements, stipulations and conditions. The employer must enter into a contract with qualified training provider which will outline the specific training services, type of credential and serve as the basis for the reimbursement of costs to the employer. The employer must pay the training provider for the full training costs for each authorized employee before reimbursement from Hampton Roads Workforce Council can be requested.

Hampton Roads Workforce Council will reimburse the employer for the federal share of each authorized employee's training cost based on the submission and acceptance of an invoice. As a rule, the reimbursement rate for the federal share will be 50% but can be higher based on the number of

company employees, as Provided for under VBWD Policy #403-04 at the discretion of Hampton Roads Workforce Council. The amount not reimbursed by Hampton Roads Workforce Council is the employers' responsibility and referred to as the non-federal share.

The maximum federal share reimbursement from Hampton Roads Workforce Council is up to \$5,000 per authorized employee and the training duration may be up to six (6) months, unless otherwise authorized by Hampton Roads Workforce Council.

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, increased employee productivity and support the competitiveness of the company. In addition to increased employer skill sets and credential attainment, IWT Programs create additional positive outcomes which include:

1. Improving the alignment of existing workers' skills with new job requirements.
2. Providing individuals access to new career opportunities within a business.
3. Encouraging the retention of existing personnel who otherwise may become dislocated because of skill deficiencies.
4. 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.
5. Projection of increased earnings for employees commensurate with their increased job skills and company responsibilities, in accordance with company policy.

