



**Local Workforce Innovation and Opportunity Act Policy (WIOA) No. 2013-PL-11 REVISED**

**To:** All Delegate Agencies, American Job Centers and Sector Centers

**From:**   
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CEO, Chicago Cook Workforce Partnership

**Subject:** Incumbent Worker Training (IWT) Policy

**Date:** March 13, 2019

**Purpose:**

To establish policy governing delivery of incumbent worker training programs in Local Workforce Investment Area (LWIA) 7, as authorized pursuant to the Workforce Innovation and Opportunity Act (WIOA) and related State policy.

**References:**

Workforce Innovation and Opportunity Act Section 134(d)(4)

Illinois Department of Commerce and Economic Opportunity WIOA Notice No. 16-NOT-01

U.S. Department of Labor (USDOL) WIOA ETA TEGL No. 19-16

Office of Management and Budget Uniform Guidance 2 CFR Part 200

**Definition:**

Incumbent Worker Training is job-related training, reimbursable with WIOA funds, that is provided to workers employed with an eligible employer who meet the definition of incumbent worker trainee as provided below.

**Background:**

The Chicago Cook Workforce Partnership may divert up to 20 percent of the WIOA allocation for incumbent worker training from the WIOA adult and dislocated worker funds. The amount of funds to be diverted from each funding stream will be determined annually through formal action by the Workforce Innovation Board (WIB).

**Policy:**

**General Information and Requirements**

Incumbent worker training will contribute to the following policy objectives:

1. Coordinate WIOA services with State and local economic development efforts with the broad goal of increasing the available pool of skilled labor in the region.
2. Target training services to employed populations judged to be in need of additional training to help them advance in their careers and increase earnings.

3. Provide to employers or groups of employers:
  - a. A capacity-building tool to retain a skilled workforce for the long term.
  - b. A layoff aversion tool to assist companies at risk of closure.
4. Make WIOA services more responsive to the full range of employer needs.
5. Support the ongoing implementation of apprenticeships in the local area.
6. Involve new employer customers in the WIOA system and gain access to their future job openings for placements of registrants from WIOA programs.

**Target Industries:**

State policy requires advance identification of industry sectors to be targeted to receive incumbent worker training services. The Partnership has chosen following industry sectors for development of incumbent worker training initiatives:

- Business and Professional Services
- Healthcare
- Hospitality
- Information Technology
- Manufacturing
- Retail
- Transportation, Distribution and Logistics
- Construction

Incumbent worker training may also be provided regardless of the employer's industry if the training is being provided in concert with other State or local economic development agencies as part of an incentive package to encourage an employer to remain, locate, or expand jobs in the local area.

**Employer Eligibility Requirements:**

- Employer assures that no Worker Adjustment and Retraining Notification (WARN) Act notices have been filed in the last year.
- Employer has operated at the current location for at least 120 days. If in business for less than 120 days and the business relocated from another area in the U.S., employees cannot have been laid off at the previous location as a result of the relocation.

**Employer Groups:**

To be considered as a group of employers, each employer must be actively participating in a WIOA funded incumbent worker training program and must be industry-focused.

**Incumbent Worker Trainees:**

Incumbent workers need not be determined eligible to receive WIOA training services. For an employer to receive incumbent worker training funds, the individual(s) receiving training must be:

- Employed;
- Meet the Fair Labor Standards Act requirements for an employer-employee relationship;
- Have an established employment history with the employer for 6 months or more including temporary or contract work. In the event that incumbent worker training is

being provided to a cohort of employees, only half of the cohort is required to meet the 6 month requirement.

Incumbent worker training is meant to increase the individual's skills in his or her current occupation. It may also be used to prepare the worker for entry into a new occupation within that employer's workforce. The expectation is that the employer will engage the workforce system to back-fill job opportunities created by the advancement of incumbent worker trainees.

**Training:**

Employers may propose a wide range of training topics and delivery arrangements. Training that is closely linked to specific jobs, as well as job advancement is encouraged. Proposed training that is only loosely related, or is unrelated, to specific jobs, while not completely prohibited, is discouraged.

Examples of training that is not directly job-linked include: stand-alone adult basic education (ABE), stand-alone English as a second language (ESL), team building training, behavioral training, motivational training, and basic computer literacy skills. Additionally, some training that is job-linked may yet be excluded from consideration if it does not substantially advance the worker's professional career.

The Partnership will closely examine proposals for such training and the rationale supporting the need for the training to determine the likelihood that the policy objectives of the program would be achieved by funding such proposals. In the absence of a compelling rationale, such proposals are unlikely to be approved for funding. Please note that ABE, ESL, and safety training that are fully integrated with specific job-linked skill training are allowable.

**Matching Funds:**

Employers participating in the program are required to pay a non-federal share of the costs of providing the incumbent worker training. For projects involving an individual employer, the non-federal share shall not be less than:

- 10 percent of the costs, for employers with 50 or fewer employees;
- 25 percent of the costs, for employers with more than 50 employees but fewer than 100 employees; and,
- 50 percent of the costs, for employers with 100 or more employees.

The non-federal share paid by an employer or group of employers may include the amount of the wages paid by the employer(s) to a worker while the worker is attending a training program and may include in-kind contributions. All matching contributions must be necessary for the provision of the training, fairly valuated, and verifiable. Matching costs must meet the requirements for matching and cost sharing as described in the Office of Management and Budget Uniform Guidance 2 CFR Part 200. For projects involving a group of employers, the percentage of the non-federal share must be determined using one of the methodologies cited in State policy.

**Costs:**

Subject to the approval of The Partnership, all reasonable and necessary costs related to the conduct of the training are allowable. However, as limited by State policy, the costs of workers' wages and fringe benefits paid while in training are allowable only as employer match contributions. Following are typical costs eligible for reimbursement for the WIOA grant.

- Tuition and school fees
- Books
- Training materials and supplies
- Pre and post testing
- Vocational counseling
- Vendor /contractor trainer costs
- Travel expenses of trainers
- Travel expenses of trainees
- Training facility costs (training off site)
- Fees for technical or professional certifications
- Refresher courses for occupational certifications
- Other costs with approval of The Partnership

Also, although not prohibited, costs associated with supportive services are discouraged. Generally, since incumbent workers are employed, the need for supportive services underwritten with WIOA funds is expected to be minimal.

**Approval:**

When evaluating project proposals, The Partnership will consider the following criteria.

- A. Benefits to Workers:** The training must result in benefits to the workers such as enhanced employability, job upgrades, increased wages, and/or increased job security. Workers completing training should receive some type of written certification or acknowledgement of their successful completion.
- B. Quality of the Training:** The training proposal must be job-specific. The curriculum must be well developed and the instructor must be qualified to conduct the training. The training must also be clearly linked to anticipated increases in productivity.
- C. Previous Performance:** If the employer has received Incumbent Worker Training grant funding in past years, retention and advancement of previous trainees will be taken into account in the application evaluation process.
- D. Appropriateness of Costs:** The proposed costs must be judged reasonable in relation to the type of training and the number of workers to be trained. And, all proposed costs must meet local, State and Federal cost related requirements and limitations.
- E. Matching Costs:** The minimum employer cost participation requirement must be met. Proposals proposing higher levels of employer cost participation will be given more a favorable review on this criterion.
- F. Secondary Benefits:** Projects that result in "secondary benefits" will be given added consideration. Secondary benefits may include:
  - a. Facilitation of the development of Registered Apprenticeships

- b. Commitments by participating employers to list future job openings with local American Job Centers
  - c. Participation in other WIOA programs (e.g., access to back-fill jobs)
- G. **Jobs Created or Retained:** In the case of projects undertaken as part of an economic development incentive package, the project will be evaluated, in part, based on the number of jobs to be created or retained.

**Reporting:**

Organizations receiving incumbent worker training grants must comply with all state planning and reporting requirements, as specified in State policy. Requirements include the submission of an initial project plan. Required reports include information about employers and workers participating in the program as well as quarterly narrative reports on project implementation.

**Assurances:**

While incumbent worker projects are being provided, all WIOA required services will continue to be provided using adults and dislocated worker formula allocations. LWIA 7 will continue to meet its performance and expenditure benchmarks for adult and dislocated worker formula allocation. These will not be impacted negatively by the provision of incumbent worker training services.

**Action Required:**

This information to be disseminated to all staff at American Job Centers, delegate agencies, and sector centers for review.

**Inquiries:**

Questions regarding the above may be directed to The Partnership's Director of Business Relations and Economic Development (BRED) at (312) 603-0200.

**Effective Date:**

Effective immediately upon approval of the Chicago Cook Workforce Innovation Board.