



**COMMONWEALTH OF VIRGINIA
VIRGINIA BOARD OF WORKFORCE DEVELOPMENT**

Policy Number 15-00

Effective Date: October 1, 2015

Title: Incumbent Worker Training

A handwritten signature in black ink, appearing to read 'Mark Hartz', is positioned to the right of the policy title.

PURPOSE

The purpose of this policy is to describe the use of Workforce Innovation and Opportunity Act (WIOA) statewide and local formula funding to create incumbent worker training programs.

REFERENCES

Workforce Innovation and Opportunity Act of 2014 Section 122 and Section 134

I. POLICY ACTION

It is crucial for Virginia to promote a highly-skilled and job-ready workforce that meets the needs of employers. Virginia ensures that workforce development services for the existing workforce are coordinated and designed for rapid access to the range of employer assistance available through statewide and local initiatives. Virginia recognizes that improving the education and skill levels of the current workforce will not only improve state and local economies, but will also increase the ability of businesses to effectively compete in the global market.

WIOA funds may be expended for incumbent worker training (WIOA section 133(b)(4)). WIOA funds will be made available through a process designed to assist Virginia businesses, which could include a single firm or a group of firms that share similar workforce needs, using a sector strategy approach to meet the skills training needs of their incumbent workforce.

A. Incumbent Worker Employee Eligibility

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 service system within 30 days after their 18th birthday or at least before they reach the age of 26;
- Meet the Fair Labor Standards Act requirements for employer-employee relations and have an established employment history with the employer for 6 months or more;
- An employee to be trained that works at a facility located in Virginia or working for a staffing agency and placed at a Virginia facility.

B. Funding Available

Statewide rapid response and local funds are available to provide incumbent worker training. The local board may reserve and use up to 20 percent of the WIOA Title I Adult and Dislocated

Worker funds allocated to the local area to pay for the Federal share of the cost of providing a training program for incumbent workers.

C. Determination of Employer Eligibility

- The VBWD defines the following criteria for employer eligibility. Local workforce development boards (LWDB) are expected to develop local policy that conforms to this criteria;
- Demonstration of linkages of the training activity to demand occupations and/or regionally targeted industries;
- The positive relationship of the training to the competitiveness of a participant and the employer;
- The relative wage and benefit levels of those employees (pre-training and anticipated upon completion of the training); and
- The potential state and regional economic impact, if any, of the training project.

The Governor and the Workforce Board may make recommendations to the local board for providing incumbent worker training that has statewide impact. WIOA Rapid Response funds may also be used for incumbent worker training. These funds will be made available to provide Virginia businesses with early intervention to avoid layoff situations.

D. Non-Federal Share

Employers participating in the program are required to pay for the non-Federal share of the cost of providing the training to incumbent workers of the employers.

The non-Federal share shall not be less than—

- i. 10 percent of the cost, for employers with not more than 50 employees
- ii. 25 percent of the cost, for employers with more than 50 employees but not more than 100 employees; and
- iii. 50 percent of the cost, for employers with more than 100 employees

The non-Federal share provided by an employer participating in in an incumbent worker training project may include the amount of the wages paid by the employer to a worker while the worker is participating in the training activity. The employer may provide the share in cash or in-kind, fairly evaluated.

II. PROHIBITION ON USE OF FUNDS TO ENCOURAGE OR INDUCE RELOCATION

No funds provided under this title 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 a loss of employment for any employee of such business at the original location and such original location is within the United States.

III. RESTRICTIONS ON USE OF FUNDS AFTER RELOCATION

No funds provided under this title for an employment or training activity shall be used for customized or skill training, on-the-job training, incumbent worker training, transitional employment, or company-specific assessments of job applicants or employees, for any business or part of a business that has relocated, until the date that is 120 days after the date on which such business commences operations at the new location, if the relocation of such business or

part of a business results in a loss of employment for any employee of such business at the original location and such original location is within the United States.

IV. BUSINESS SERVICES

Incumbent worker training 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. LWDBs must detail incumbent worker training in the business services plan. Incumbent worker training will be tracked in the business engagement report and will be reported to the VBWD.

V. 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, increase employee productivity and support the competitiveness of the company. Incumbent worker programs create a number of positive outcomes including:

- Improving the alignment of existing workers' skills with new job requirements;
- Providing individuals access to new career opportunities within a business;
- Encouraging the retention of existing personnel who otherwise may become dislocated because of skills deficiencies; increasing the wages of newly trained workers;
- 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.