

<b>Policy No.</b>	<b>2017-02-IWT</b>
<b>Date Adopted</b>	<b>February 8, 2017</b>
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## INCUMBENT WORKER TRAINING

### INTRODUCTION

Incumbent Worker Training (IWT) is a Work-based Training strategy designed to develop a highly skilled workforce which will result in an increased ability for employers to compete, expand, and retain workers. Workers participating in IWT will benefit by enhancing existing skills, learning new skills, earning employer or industry-recognized credentials, retaining employment and/or increasing earnings potential. IWT can be used to help avert potential layoffs of employees, or to increase the skill levels of employees so they can be promoted within the company and create backfill opportunities.

Under the Workforce Innovation and Opportunity Act (WIOA), the Local Workforce Development Board of Kane, Kendall and DeKalb Counties may dedicate up to 20% of Adult and Dislocated Worker formula funds to provide for the Federal share of the cost of training through IWT programs administered by Kane County Office of Community Reinvestment (OCR) staff.

### EMPLOYER ELIGIBILITY

An employer must meet the following qualifying criteria to apply for local IWT funding:

1. Must be located within Kane, Kendall, or DeKalb Counties;
2. Must be a private for-profit employer or a private non-profit organization. Public entities such as cities, counties, library, park and school districts, or other taxing bodies may not participate in the local IWT program;
3. Must be in operation in the local area for a minimum of one (1) year prior to application date;
4. Must have at least one (1) full-time, permanent employee (as defined by the company), other than the owner.
5. Must demonstrate financial viability and must be current on all local, state and federal tax obligations, including Unemployment Insurance and Workers' Compensation taxes, penalties, and/or interest or related payment plan.
6. Must not be presently debarred, suspended, proposed for disbarment, declared ineligible, or voluntarily excluded from participating in transactions by USDOL or the State of Illinois.
7. Shall not have had one or more layoffs and/or relocated operations within 120 days of the date of application;
8. Must not be receiving duplicative funding for similar economic development activities from the State.

There are also businesses that will not be allowed to participate in this activity due to violations of local, state, or federal laws; unfair labor practices. Other conditions (such as failure to meet OSHA requirements) will be identified during the course of conducting initial employer assessments and reviewing contract requirements, assurances, and certifications with local OCR staff.

### EMPLOYEE ELIGIBILITY

An eligible incumbent worker is defined as an individual, or group of individuals, with an employer-employee relationship (as defined by the Fair Labor Standards Act) who is receiving training to increase his or her skills in a current position or to prepare for entry into a new occupation within the industry-related workforce. Participants must be 18 or older and must either be a U.S. Citizen or a non-citizen whose status permits employment in the U.S.

Employees must have an established, 6-month work history with the employer. Exceptions to this rule may be granted for groups of employees when a majority of the employees have a 6-month work history.

## **AWARD CRITERIA**

The following factors will be considered when awarding local IWT funding to an eligible employer:

1. The number of employees participating in the training;
2. The characteristics of the incumbent workers to be trained and how they would benefit from retention or advancement;
3. The wage and benefit levels of the participants (before and after training);
4. The quality of the training, including the relationship of the training to the competitiveness of the employer and employees in the context of regional, national, and/or international market and industry trends. Whenever possible, the training should allow the participant to gain industry-recognized training experience and/or lead to industry-recognized credentials and/or an increase in wages; and
5. Availability of other employer-provided training and advancement opportunities evidencing long-term investment in the employee work base.
6. Commitment to engage in a long-term relationship with OCR by posting new positions or employment opportunities (such as backfill positions) on the locally published job board.

## **TRAINING REQUIREMENTS**

Training should be closely linked to high growth jobs in an in-demand industry, and career/job advancement or retention is desired. Training can be provided through Illinois public or private educational institutions, in-state or out-of-state private training organizations, professional trainers hired by the employer, in-house trainers, or a combination of training providers. It may be conducted at the employer's facility, at the training provider facility, or at a combination of sites. Information must be provided from the employer on the training providers considered, cost and price analysis conducted in selecting the training provider, and whether training will result in a credential, certification or licensure for the worker.

The employer applying for grant funds must identify outcomes to be achieved by the incumbent worker training that occur. At least one noted outcome should directly benefit the employer and be easily measured. An explanation should be provided as to how each outcome is important to the employer and its employees and how the proposed training project will produce the outcomes stated in the application. A description of how the outcome will be measured and verified is also needed and results reported with the submission of cost reimbursement claims under this grant.

Training that is only loosely related, or is unrelated to specific jobs, is not eligible. Examples of training that are not directly job-linked include, but are not limited to:

- Stand-alone adult basic education (ABE);
- Stand-alone English as a Second Language (ESL);
- Team building or motivational training;
- Basic computer literacy skills;
- Training/continuing education required by federal, state or industry guidelines, i.e., OSHA, FDA requirements; or
- Industry certification or licenses issued by a government entity, such as insurance adjustors, real estate agents/brokers, etc.

Please note that ABE and ESL training that is fully integrated with specific job-linked skills training may be allowable.

## **FUNDING**

IWT projects are funded on a competitive basis as funding is available. The maximum funding award is **\$15,000** per year by employer. Training costs contributed by the employer above and beyond this maximum may count as a matching contribution towards the project.

Costs that are reasonable and necessary for the conduct of the training are allowable. Below are the costs that may be reimbursed through the grant:

- Training development
- Instructor wages
- Tuition and fees
- Training materials and supplies
- Off-site training facility costs
- Fees for technical or professional certifications and/or licensures

Following training completion and attainment of the program outcome benchmarks established in the training plan, the employer may submit verification of costs in accordance with the line items approved in the contract budget.

### **EMPLOYER COMMITMENT**

A written training plan must be submitted by the employer. The training plan must include a description and explanation of the training for which funds are being requested, a training program outline with course and cost information, line-item budget, employer match contribution information, cost analysis used by the employer in making training program provider selection, and employee data forms.

A minimum of three quotes is required as part of a bidding process for training; however, the employer is not required to select the lowest bid. Information must be provided from the employer on the training providers considered, as well as the cost and price analysis conducted in selecting the training provider, and whether training will result in a credential, certification or licensure for the worker.

IWT programs must include a contract/written agreement that outlines who is providing the training, the type and location of the training to be provided, the length and cost of the training, and the amount of employer-matching support and manner in which the match will be contributed to the project.

Employers are required to submit specific information for employees/trainees participating in training activities, which includes, but is not limited to: trainees' names, social security numbers, training start dates, training-related occupational titles, training progress/completion reports, documentation of training outcomes for each trainee, wages prior to training, wages after training completion, etc. Social security numbers and other personally identifiable information is encrypted and used by secure systems to measure job retention and wage changes as required by federal reporting standards. Employers will keep accurate records for a period of three (3) years of training implementation and certify that all information provided for the purpose of requesting reimbursements and reporting training activity is accurate and true.

### **MATCHING CONTRIBUTIONS**

Employers must demonstrate and/or provide an in-kind or direct matching contribution to the training project. All matching contributions must be necessary for the provision of the training and must be verifiable. In addition to the costs listed under the Funding section of this policy, the wages of trainees while in training, while not reimbursable, can serve as eligible match.

The amount of the match required is based on size of the company and is in the amount equivalent to the relative percentage of the total of the grant request, detailed in the chart below.

<b>Number of Employees</b>	<b>Minimum Company Match Requirement</b>
50 or fewer full-time employees	10%
51-100 full-time employees	25%

101+ full-time employees	50%
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**REIMBURSEMENTS**

Following training completion and attainment of the program outcome benchmarks, the employer may submit verification of costs in accordance with the line items approved in the budget of the grant application. Approved budget items are reimbursed upon presentation of adequate documentation of the training and evidence that the training expense incurred has been paid, and outcomes have been achieved and verified.

Should a trainee fail to successfully complete the training program for any reason, his or her costs will not be reimbursed to the employer.

**REFERENCES:**

**DCEO WIOA Notice No. 16-NOT-01** *Interim Guidance to Local Workforce Innovation Boards (LWIBs) for Implementing Incumbent Worker Training*

**WIA Policy Letter No. 07-PL-33, Change 4** – *Incumbent Worker Training*

WIOA Final Rule 20 CFR 680.780-840