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Area 11: Local Policy
Incumbent Worker Training

PURPOSE:

The purpose of this policy is to provide comprehensive funding guidance for WIOA Incumbent Worker Training (IWT) under the Workforce Innovation and Opportunity Act, as outlined in Policy Letter No. 15-23.2 (WIOAPL 15-23.2) issued by Aspyr and OhioMeansJobs Columbus-Franklin County Job Center (OMJCFC).

I. BACKGROUND

IWT under the Workforce Innovation and Opportunity Act (WIOA) is a strategic initiative designed to bolster the competitiveness of both employees and employers by fostering a skilled, adaptable, and high-quality workforce. This policy supports the development and sustainability of the workforce, ensuring businesses can thrive in a rapidly evolving market. To qualify as a participant in an incumbent worker training program, an employee must have a consecutive employment history with the employer for six months or more.

As a type of work-based training model, IWT aims to:

1. **Enhance Employee Retention:** Provide employees with the necessary skills to retain employment and prevent layoffs, thereby stabilizing the workforce.
2. **Boost Competitiveness:** Increase the competitiveness of both participants and companies by ensuring workers acquire industry-relevant skills and knowledge.
3. **Facilitate Skill Development:** Deliver training to paid, employed participants while they are engaged in productive work, ensuring the training is practical and immediately applicable. The training:
 - Provides knowledge and skills essential for acceptable performance in their occupation.
 - Offers reimbursement to employers for training costs and additional supervision related to the approved customized training.

- Is of a limited duration appropriate to the occupation for which the participant is being trained.

IWT is tailored to meet the needs of employers or groups of employers, aiming to retain a skilled workforce or avert the need to lay off employees who lack specific skills. By investing in the upskilling of current employees, IWT helps maintain economic stability, supports business growth, and enhances job quality within our community.

II. INCUMBENT WORKER EMPLOYEE ELIGIBILITY

A. General Eligibility

To participate in incumbent worker training, employees must meet the following eligibility criteria:

1. **Age Requirement:** Must be at least 18 years of age.
2. **Citizenship Status:** Must be a citizen of the United States or a non-citizen with legal authorization to work in the United States.
3. **Selective Service Registration:** Males born on or after January 1, 1960, must have registered with the Selective Service System within 30 days of their 18th birthday or before reaching the age of 26.
4. **Employment Status:** Must be an employee as defined by the Fair Labor Standards Act (FLSA) with a verified employment history of six months or more with the current employer.
5. **Work Location:** Must be employed at a facility located in Central Ohio.

These criteria ensure that IWT is accessible to eligible employees, supporting their professional development and enhancing the overall competitiveness of the workforce in Central Ohio.

B. Incumbent Worker Eligibility Exception

In cases where IWT is provided to a cohort of employees, it is not required for every employee in the cohort to have an established employment history with the employer of six months or more. However, the majority of the employees in the training cohort must meet the six-month employment history requirement.

III. EMPLOYER ELIGIBILITY

An employer will NOT be eligible to receive WIOA IWT training reimbursements if:

1. Businesses must not be currently debarred, suspended, proposed for disbarment, declared ineligible, or voluntarily excluded from participation in transactions by USDOL or the State of Ohio. Businesses that are subject to such exclusion are listed at <https://businesssearch.ohiosos.gov/> or <https://sam.gov/content/home>.

2. Businesses shall not have any outstanding tax liability to the State of Ohio that is six months or more past due. Local areas will require businesses to disclose any known outstanding tax liabilities with other states prior to entering into contract. The local area may consider existing out-of-state violations when determining eligibility to receive IWT funds. The local area must document any resolution of outstanding tax liability, which may include letters from the business or from the state from which the tax liability occurred.
3. Ohio businesses must have all the approvals, licenses, or other qualifications needed to conduct business in the state, and all must be current. Should this status change during the time local IWT program activities are occurring and the business is disqualified from conducting business in Ohio, all training under the IWT program must cease.
4. The employer must comply with all applicable federal, state, and local laws and regulations related to providing reasonable working conditions. IWT participants are not permitted to train or work in buildings or surroundings under working conditions that are unsanitary, hazardous, or dangerous to the trainee's health or safety.
5. Businesses that have relocated to Ohio and have laid-off workers at a former location in the United States may not be considered for IWT until they have been in operation at the new location for 120 days.
6. To verify that a business is not relocating employment from another area, a pre-award review must be undertaken and documented by the local area. The review must include the names under which the establishment conducts business, including predecessors and successors in interest; the name, title, and address of the company official certifying the information; and whether WIOA assistance is being sought in connection with past or impending job losses at other facilities of their company. The pre-award review should also include a review of whether appropriate notices have been filed, as required by the Worker Adjustment Retraining Notification (WARN) Act, 20 CFR Part 639. The review may also include consultations with labor organizations and others in the affected local area(s).
7. Businesses must not have any outstanding or pending civil, criminal, or administrative fines or penalties owed to the State of Ohio.
8. IWT activities will not be permitted when any of the following apply:
 - a. Any other individual is on layoff from the same or any substantially equivalent job with the same business;
 - b. The business has terminated the employment of any regular, unsubsidized employee or otherwise caused an involuntary reduction in its workforce, with the intention of filling the vacancy with the IWT participant; or
 - c. The incumbent worker trainee's job is created in a promotional line that infringes in any way on the promotional opportunities of other currently employed workers.
9. A business may be deemed ineligible if it has received payments under a previous WIOA contract and exhibited a pattern of failure to provide participating

workers continued long-term employment as regular employees with wages and working conditions at the same level and to the same extent as similarly situated employees of the same business.

A. Industry Prioritization

Under WIOA, workforce boards are required to prioritize training investments to align with in-demand occupations and industries and support economic development in their service areas. Consequently, Aspyr emphasizes the importance of incumbent worker training programs that lead to employment in these high-demand sectors.

The following industry sectors are prioritized for training investments and will be recognized through June 2028, or as subsequently amended:

1. Advanced Manufacturing
2. Business/Administrative Support/Finance/Insurance Professions
3. Construction and Skilled Trades
4. Healthcare and Healthcare Support
5. Leisure and Hospitality
6. Information Technology
7. Transportation, Distribution, and Logistics (Supply Chain)

These priorities ensure that training dollars are strategically invested in sectors that drive economic growth and offer sustainable career opportunities for workers.

IV. EMPLOYER APPLICATION SELECTION CRITERIA

All Area 11 IWT applications will undergo a rigorous selection process to ensure that IWT funds are allocated competitively and align with the strategic priorities of Aspyr and the regional economy.

The WIOA IWT application scoring mechanism aims to establish a fair, transparent, and consistent process for evaluating employer proposals for IWT. Aspyr seeks to prioritize applications that offer significant potential to enhance workforce skills, improve job quality, prevent layoffs, and contribute to businesses' long-term sustainability and competitiveness. By assessing key criteria such as:

1. Industry and Occupation Prioritization
2. Layoff aversion
3. employer size
4. Sustainability Plan
5. Agreement with On-The-Job Training (OJT) backfilling
6. Job Quality
7. Portability of Credential
8. Transferability of Training

This scoring mechanism ensures that resources are allocated effectively to support impactful workforce development initiatives.

V. EMPLOYER COST SHARING

Employers participating in the Incumbent Worker Training (IWT) program are required to contribute the nonfederal share (employer share) of the training costs for their incumbent workers, based on the sliding scale outlined below. The maximum funding permitted to any employer under this policy is up to \$25,000 per fiscal year. Aspyr recognizes that extenuating circumstances may necessitate additional funding beyond this cap and will consider exceptions based on employer input. Employers seeking an exception must submit a written request to Aspyr.

The level of reimbursement to the employer is determined by the size of the employer as follows:

- **50 or fewer employees:** 80% of the cost of training covered by the program
- **51-100 employees:** 60% of the cost of training covered by the program
- **101 or more employees:** 50% of the cost of training covered by the program

Employer size is determined by the number of employees associated with the Employer Identification Number (EIN) at the time the IWT contract is executed.

A. Allowable Costs:

Allowable costs may include only those directly related to the training. These may include:

1. Instructor/trainer salaries;
2. Curriculum development, textbooks, manuals, training software, materials, and non-consumables;
3. Training facility costs (off-site training); and
4. Other necessary and reasonable costs directly related to training.

B. Unallowable Costs:

Unallowable costs include, but are not limited to:

1. Foreign travel;
2. Purchase or lease of capital equipment;
3. Encouragement or inducement of a business or part of a business to relocate from any location in the United States; and
4. Use of IWT funds to pay for a worker's training wages. IWT funds may be used to train employees in management skills such as Six Sigma and LEAN if promotional opportunities or increased wages can be identified post-training.

IWT funds may be used to train employees in management skills such as Six Sigma and LEAN if promotional opportunities or increased wages can be identified post training. IWT funds may not be used for LEAN or Six Sigma training for the purpose of layoff aversion.

IWT funds may not be used to reimburse training costs that are also being reimbursed by another State or Federal training program.

VI. TRAINING REQUIREMENTS

The maximum duration for an Incumbent Worker Training (IWT) program is six months. However, the actual length of the training should be determined by the specific needs of the training, rather than defaulting to the maximum duration allowed under this policy.

Businesses may be considered beneficiaries of the WIOA Incumbent Worker Training (IWT) program and receive training assistance on a reimbursement basis. WIOA sub-recipients and vendors are not considered beneficiaries. To utilize the beneficiary option, businesses must adhere to the following guidelines:

A. Reimbursement Eligibility:

1. Business beneficiaries may receive reimbursement for actual training costs incurred under this program, as outlined in this policy.

B. Training Plan Approval:

1. Area 11 approval of a training plan is required before reimbursement may be provided to a beneficiary. The development of training plans is the responsibility of the OMJCFC Business Services

C. Training Plan Requirements:

1. The training plan must identify the following:
 - i. The provider(s) of training
 - ii. Type of training
 - iii. Planned start and end dates
 - iv. Number of individuals to be trained
 - v. Projected cost of training
 - vi. Any other information required by Aspyr or OMJCFC

All training costs must be allowable as defined in this policy. Training plans must be approved by the OMJCFC prior to the start date of training. Beneficiaries must agree to provide all documentation the OMJCFC Center requires to be reimbursed for the training.

D. Training Provider Selection:

Training providers are not required to be listed on the state's eligible training provider list for the purpose of providing training under this section. OMJCFC may assist business beneficiaries in identifying potential training providers; however, selecting a training provider is not subject to state or federal procurement requirements.

Definitions:

Cohort: a group of trainees to be trained by an employer as part of a single application for IWT.

Governmental Entity: an office, agency, institution, or entity of a county or municipality of Ohio that is owned or controlled by the county or municipality and exercises a function of government.

Incumbent worker: an individual employed with the company for at least six months when the incumbent worker training starts.

Incumbent worker training (IWT): training designed to meet the special requirements of an employer (including a group of employers) to retain a skilled workforce or avert the need to lay off employees by assisting the workers in obtaining the skills necessary to retain employment or to create the opportunity for increased earnings potential through promotion.

In-kind contribution: non-cash contribution of goods or services provided by the employer.

Layoff aversion: a continuum of strategies targeted to specific employers or industries that are experiencing a decline and have the potential to undergo layoffs or are experiencing a serious skills gap that impacts their ability to compete and retain workers. A layoff is considered to be averted when:

1. A worker's job is saved at an existing employer facing a risk of downsizing or closing; or
2. A worker at risk of dislocation faces a brief gap of unemployment when transitioning to a different job with the same employer or is hired at a new job with a different employer.

Non-federal share: the portion of training costs the employer is required to pay for its participation in federally subsidized IWT. The minimum non-federal share is determined by the size of the employer.

References:

Workforce Innovation and Opportunity Act, Public Law 113-128, § 134(d)(4).

2 CFR Part 200, Appendix II.

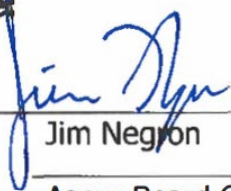
WIOA Regulations at 20 CFR Part 680.

TEGL No. 19-16, "Guidance on Services provided through the Adult and Dislocated Worker Programs under the Workforce Innovation and Opportunity Act (WIOA) and the Wagner-Peyser Act Employment Service (ES), as amended by title III of WIOA, and for Implementation of the WIOA Final Rules," dated March 1, 2017.

ODJFS, Workforce Innovation and Opportunity Act Policy Letter No. 15-11.3, Use of ITAs (September 27, 2021).

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