



CWP Policy/Procedure Transmittal

Policy and Procedures Transmittal Number: 20-07

Effective Date: October 1, 2019

To: CWP Staff and Subrecipient Staff

From: Julie Watson, Compliance & Accountability Administrator

A handwritten signature in blue ink, appearing to read 'Julie Watson', is positioned to the right of the 'From:' field.

Issue Date: January 26, 2021

Subject: Incumbent Worker Training (IWT) Policy

With this transmittal, CWP is issuing CWP's Incumbent Worker Training Policy. In addition to being attached to this transmittal, this policy can be found in CWP's online Policy and Procedures Manual, Section 2-66 CWP's General Policies and Procedures at <https://capitalworkforce.org/policies/>.

Questions regarding CWP's Incumbent Worker Training Policy should be addressed to Dan Garewski, CWP's Special Programs & Employer Engagement Manager at DGarewski@capitalworkforce.org.

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A. General

The following Incumbent Worker Training (IWT) policy and procedures apply universally to all CWP administered incumbent worker training. Individual programs may have additional IWT policies and procedures that are specific to that program. See the program sections of this manual for program-specific IWT policy and procedures.

Incumbent Worker Training is a type of work-based, employer-driven training for employees providing the skills that they need to either retain employment or to avert layoffs. IWT provides both employees and employers with the opportunity to build and maintain a quality workforce and increase both the workers' and employers' competitiveness. For purposes of this policy and procedures, the term "employer" represents any entity applying for and receiving IWT funds on behalf of an employer or group of employers.

IWT is designed to meet the special requirements of an employer or a group of employers for the purpose of acquiring training to:

1. Help avert potential layoffs of employees, or
2. Increase the skill levels of employees so they can be promoted within the company and create backfill opportunities. The training should, whenever possible, allow the trainee to gain industry-recognized training experience and ultimately lead to an increase in wages.

B. Policy

1. Eligibility

For employers to be eligible for IWT funds, the following criteria must be met:

- a. The training must:
 - i. Be designed to meet the special requirements of an employer (or group of employers) to retain a skilled workforce or avert the need to lay off; and/or
 - ii. Provide the skills and/or knowledge to improve the competitiveness of the employee(s) or both the employee(s) and employer.
- b. The employee(s) must:
 - i. Be employed;
 - ii. Meet the Fair Labor Standards Act requirements for an employee-employer relationship; and
 - iii. Have an established employment history with the employer of six (6) months or more (includes time as a temporary or contract worker); or
 - iv. Be a member of a cohort of employees, where the majority (more than 50%) of those employees trained do meet the six-month employment history requirement.
- c. The incumbent worker does not have to meet the eligibility requirements for WIOA-funded career and training services for adults and dislocated workers unless he/she is also enrolled as a participant in the WIOA Adult or Dislocated Worker Programs.

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2. Cost Sharing Requirement

Employers are required to pay a share of the cost of providing training to their incumbent workers. Cost of the training may include but is not limited to instruction, books, materials and exams. The employer's share of the costs of training can be through cash payments, fairly evaluated in-kind contributions, or both. In-kind contributions are wages paid to the incumbent worker trainee while the worker attends training. The minimum amount of the employer's share depends on the size of the employer but may not be less than the following percentages based on employer size.

% of the Cost of IWT	Size of Employer Based on the Number of Employees
10%	≤ 50 employees (equal to or less than 50)
25%	51 through 100 employees
50%	> 100 employees (greater than 100)

In accordance with the contract provisions, CWP reimburses the employer for the CWP share of the cost of training upon the employer's submission of a complete and accurate invoice along with the IWT Report documenting the results of the training and any other required documentation.

3. Union Consideration

Funds provided for IWT must not be used to directly or indirectly assist, promote or deter union organizing. Funds provided for IWT may not be used to directly or indirectly aid in the filling of a job opening which is vacant because the former occupant is on strike, being locked out or involved in a work stoppage in the course of a labor dispute.

4. Prohibited Employers

CWP will not enter into a IWT contract with employers who are in violation of local, state or federal labor laws or who failed to meet their obligations under a previous IWT contract.

C. Procedures

1. Application

Employers who are interested in obtaining assistance funding IWT must submit an application to CWP providing detailed information regarding the proposed training, employees to be trained, cost sharing and intended outcomes for the employee and the employer. See Section 8 Forms of the CWP Policy and Procedures Manual for the CWP Application for Incumbent Worker Training form.

2. Determining Employer Eligibility

- a. CWP staff use the information from the application to determine if the employer(s) are eligible for IWT funds based on CWT IWT Policy. In evaluating whether the proposed training meets the CWP IWT eligibility criteria, CWP staff consider the following factors.
 - i. Characteristics of the employee(s)
 - a) Barriers to employment
 - b) Lack of skills and/or knowledge provided by the proposed training
 - ii. Relationship of the training to the competitiveness of the employee and employer

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- iii. Layoffs will be averted as a result of the training
- iv. Employee advancement opportunities along with wage and benefits increase (pre and post-training earnings)
- v. Number of employees participating in the training
- vi. Existence of other training and advancement opportunities provided by the employer
- vii. Credentials and skills gained as a result of the training
- viii. CWP's larger industry sector and/or career pathway strategy
- ix. Employer size

3. Employer Contract

Once the Application for Incumbent Worker Training Funds is approved by CWP, a contract between CWP and the employer must be executed prior to the start of the IWT. CWP staff discuss the contract provisions with the employer prior to contract execution to ensure agreement and compliance with contract provisions.

- a. Contract provisions for discussion with the employer:
 - i. The amount of funds CWP will provide for the training and related costs
 - ii. The employer's required cost-sharing portion of the training and how that employer will meet this requirement
 - iii. Number of employees to be trained
 - iv. Requirement that trainees must have an established work history with the employer¹
 - v. Agreement that CWP staff may collect registration information directly from trainees
 - vi. Anticipated outcome of the training
 - vii. Incumbent worker training contract provisions
 - viii. Financial and administrative contract provisions
 - ix. Contract specific terms
 - x. Position or job title of the trainees
 - xi. Number of hours of training per participant
 - xii. Beginning and end dates of the contract
 - xiii. Beginning and end dates of the training
 - xiv. Reporting requirements
 - xv. Invoicing procedures

- b. Components IWT contract:
 - i. A completed CWP Incumbent Worker Training (IWT) Contract template signed by the employer and CWP signatory
 - ii. Exhibit, The approved CWP Application for Incumbent Worker Training Funds
 - iii. Exhibit, Report Form
 - iv. Exhibit, CWP Protecting Personally Identifiable Information Policy (PII)
 - v. Additional exhibits deemed necessary by CWP

¹ Work history includes time as a temporary or contract worker.

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4. Reporting

- a. Employers are required to document and report to CWP the data elements contained on CWP Incumbent Worker Training (IWT) Report as required by the contract terms. The elements of the IWT Report include but are not limited to:
 - i. Employer's name,
 - ii. Title and type of training,
 - iii. Training provider,
 - iv. The following data elements applicable to each trainee: name, employment start date², training start date, job title, post training job title (if promoted), credential earned, and amount of post-training wage increase, and any other information required of the IWT funding sources.

5. Monitoring

Whenever feasible, CWP staff monitor IWT to ensure that training is delivered as described in the contract. At minimum, CWP staff conducts at least one on-site visit during the IWT and documents participant attendance. The six-month work history requirement is monitored by requesting documentation of the employment start date for a random sample of trainees listed on the employer's IWT Report.

² Employee start date may include time as a temporary or contract worker.