



## POLICY MANUAL

No. WDB 5

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**POLICY:** INCUMBENT WORKER TRAINING

**APPROVED**

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### **INTRODUCTION**

The Workforce Innovation & Opportunity Act (WIOA) requires local workforce areas to establish policies and definitions to determine which workers, or groups of workers, are eligible for incumbent worker services. California State guidance establishes that the local boards shall institute a policy framework that describes the criteria to be used in determining whether an employer is eligible for incumbent worker training. WIOA requires employers participating in the incumbent worker training program to pay for the non-Federal share of the cost of training and requires local boards to establish the criteria for the non-Federal share.

### **BACKGROUND**

Incumbent Worker Training (IWT) is part of a comprehensive business engagement strategy designed to meet the special requirements of an employer (including a group of employers) to upskill current employees. IWT is designed to help businesses 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. IWT must increase the competitiveness of the employee or the employer and commits the employer to retain the trained incumbent worker(s) for at least six (6) months following training completion and/or promote the incumbent worker(s) to higher paying positions.

### **REFERENCES**

- Title 20 Code of Federal Regulations Part 680.780 through 680.820
- WIOA Sections 133(b) and 134(d)(4)
- Fair Labor Standards Act, 29 U.S.C. § 203 et seq.
- San Bernardino County Workforce Development Department Program Guide

### **POLICY**

#### **Incumbent Worker Qualifications**

To qualify as an incumbent worker for San Bernardino County Workforce Development Board (WDB) programs, the participant needs to be employed and meet the Fair Labor Standards Act requirements for an employer-employee relationship. In addition, the majority of employees in a given cohort of employees being trained must have an established employment history with the employer for six (6) months or more. If only one incumbent worker is being trained, that employee must have been employed for at least six (6) months with the employer.

An incumbent worker does not have to meet the eligibility requirements for career and training services for Adults and Dislocated Workers under WIOA unless also enrolled as a participant to receive other services under Adult or Dislocated Worker programs.

#### **Employer Qualifications**

In order for an employer to be eligible to receive WDB incumbent worker training funds, it must:

- Have and provide a valid California Employer Account Number,
- Be an equal opportunity employer compliant with all state and federal laws pertaining to fair labor and employment practices, and
- Obtain a letter of support from the union if workers impacted by the training are represented by a union. The union letter of support must be on union letterhead and signed by a union officer or business representative.

In addition to the above, the following criteria will be considered:

- The characteristics of the individuals in the program (i.e. quality of work, desire to promote, likelihood of success, etc.),

- The relationship of the training to the competitiveness of the individual(s) and the employer,
- The number of employees that will train,
- Wages and benefits, including post training increases, and
- Existence of other training opportunities provided by the employer.

#### **Non-Federal/Employer Share**

Employers participating in the incumbent worker training programs are required to contribute to the cost of training through cash or in-kind (known as Non-Federal/Employer Share). The required amount of employer contributions is based on the total number of employees at all locations operated by the employer in California:

- 10% contribution with 50 employees or less,
- 25% contribution if between 51 and 100 employees, or
- 50% contribution if more than 100 employees.

The Non-Federal/Employer Share may include:

- Wages paid by the employer to the participating employee while the employee is attending the incumbent training program,
- Cost of books, tools, and/or supplies, ☐ Cost of registration, tuition, other school fees,
- Cost of the teacher/instructor,
- On-the-job portion of the training if required for certification/licensing (i.e. clinical hours, required jobshadow hours, etc.), and
- Other costs, fairly evaluated.

The WDB's share of the cost of training includes the delivery of IWT (e.g., teacher, books, materials), but excludes the cost of individual wages paid by the employer while the employee is attending/participating in the training. WDB may reserve and use not more than 20% of the funds allocated to the Local Area to pay for the Federal share of the cost of providing training through a training program for incumbent workers.