NORTHWEST OREGON WORKS	**POLICY P13: INCUMBENT WORKER TRAINING**
	Effective Date: 11/24/2020
	☐ **NEW** ☒ **REVISED**

PURPOSE

The purpose of this policy is to outline the use of local Workforce Innovation and Opportunity Act (WIOA) funds for Incumbent Worker Training (IWT) programs in accordance with federal and state guidance, including TEGL 19-16.

POLICY

Incumbent Worker Training (IWT) is intended to meet the specific needs of employers (including groups of employers) to:

- Retain a skilled workforce,
- Avert potential layoffs,
- Support employee advancement along a career pathway, and/or
- Equip workers with updated or new skills to support business expansion and competitiveness.

Training must increase the competitiveness of both the employee and the employer.
Local WIOA funds may be used to support IWT for qualifying employers and employees. Northwest Oregon Works (NOW) may expend up to 20% of its combined Adult and Dislocated Worker allocations for IWT activities, in compliance with 20 CFR 680.800. Employers and employees must meet the eligibility requirements outlined in Exhibit A and the current IWT Application.

Costs of Training

IWT projects require shared investment between NOW and participating employers. Employers must contribute the following minimum share of training costs:

- **10%** for employers with 50 or fewer employees
- **25%** for employers with 51–100 employees
- **50%** for employers with more than 100 employees

The employer's share may include cash or documented in-kind contributions. In-kind contributions must reflect fair market value and comply with federal cost-sharing rules per 2 CFR 200.306. Allowable employer contributions may include:

- Direct training costs and materials
- Wages paid to employees during training (counted as in-kind only and not reimbursed)

All employer contributions must be documented, tracked, and verifiable. Methodologies for determining in-kind value must be reasonable, consistent, and compliant with applicable cost principles.

Awards

Employers may apply for IWT funds using the official IWT Application. At its discretion, NOW awards these funds on first-come-first-served basis, contingent upon availability.

Awards will be based on available funds, demonstrated employer need, and alignment with regional sector strategies and industry priorities. Project scope (number of employees, type of training, cost per trainee, and outcomes) will be evaluated annually and may be updated as needed.

REFERENCES

Workforce Innovation and Opportunity Act, Section 3(23)
WIOA Section 134(d)(4)
20 CFR §§ 680.780–680.820
2 CFR 200.306 (Cost Sharing)

Exhibit A
INCUMBENT WORKER TRAINING PROGRAM
EMPLOYER APPLICATION

Northwest Oregon Works (NOW) supports professional development as an integral part of effective workforce development. One way NOW demonstrates this support is through Incumbent Worker Training Programs (IWT). IWT programs provide training to existing workers in order to help them advance in a career pathway and/or to provide new or updated knowledge or skills in order to support retention, expansion and growth for the employer.

COSTS

IWT programs are partnerships wherein NOW and the employer co-invest in the training. Employers are responsible for a share of training costs based on number of employees as follows:

- 10 percent (10%) of the cost for employers with not more than 50 employees
- 25 percent (25%) of the cost for employers with 51-100 employees; and
- 50 percent (50%) of the cost, for employers with more than 100 employees

The employer investment may be a cash or in-kind. The value of in-kind contributions must be demonstrated using documentation of fair market value of the contribution. Employers may contribute to the direct cost of training and training materials. The investment by the employer may also include the amount of the wages paid by the employer to a worker while the worker is participating in the training activity. Wages may be applied to the amount of an employer's investment as an in-kind contribution only. NOW will not reimburse wages paid to trainees.

The following activities may be paid for with IWT funds:

- The cost of training for employees to learn: a new or updated technology, equipment or process; employer-specified or industry- specific skills;
- Train-the-trainer instruction to build the capacity of businesses;
- Training materials and supplies;
- Facility expenses directly related to and necessary for the training;
- Rental of tools and equipment critical to the project;
- Travel expense and per diem of instructor(s) at government-approved rates; and
- Instructor/trainer fees

Funds may not be used to pay for:

- Costs incurred prior to the approval date of the application;
- Construction or purchase of facilities or buildings;
- Equipment purchases;
- Business relocation expenses;
- Lobbying activities
- Activities that directly or indirectly assist, promote, or deter union organizing.

Employer Eligibility Criteria
Employers must meet all eligibility criteria in order to apply for IWT. Employer must:

1. Operate in Benton, Clatsop, Columbia, Lincoln and/or Tillamook Counties.
2. Operate within a NOW priority industry outlined in its local plan and/or operates in an in-demand, in-balance or declining industry as determined by labor market information.
3. Have operated in Oregon for at least one year and not relocated from another location resulting in layoffs in the preceding 120 days prior to date of application.
4. Be current on all state and local tax obligations including unemployment insurance and workers' compensation.
5. Not be a religious, lobbying, gambling, or marijuana-related organization.
6. Have at least one full-time employee.

If the project will serve a group of employers, the applicant must meet all application criteria and will serve as the eligible employer and fiscal agent in any funding agreement that results from this application.

The following factors will be considered by NOW when considering applications for funding:

- The characteristics of the workers to be trained and how their retention and/or advancement would benefit from the training.
- The relationship of the training to the competitiveness of the trainees and the employer.
- The quality of training.
- Whether the training will allow the participant(s) to gain industry-recognized training experience, lead to industry-recognized credentials and/ or an increase in wages;
- The number of participants the employer plans to train or retrain;
- The wage and benefit levels of participants before and after training;
- The existence of other training opportunities provided by the employer
- The occupation(s) for which incumbent worker training is being provided must be in demand;

Incumbent Worker Eligibility Criteria
An incumbent worker must be:

1. A U.S. citizen or otherwise legally entitled to work in the U.S.;
2. Age 18 or older;
3. Registered for the Selective Service (males who are 18 or older and born on or after January 1, 1960) unless an exception is justified;
4. Employed;
5. Meet the Fair Labor Standards Act requirements for an employer-employee relationship (http://www.dol.gov/whd); and
6. Have an established employment history with the employer for six (6) months or more.

If the IWT is being provided to a cohort of employees, not every employee in the cohort must have an established employment history with the employer for six months or more as long as a majority of those employees being trained do meet the employment history requirement. IWT participants may be required to complete registration with WorkSource Oregon, if eligible.

Types of Incumbent Worker Training
Incumbent worker training may be provided as classroom-based training, on-the-job training, apprenticeship or a combination of the above. Training may be provided by the company for which the incumbent worker(s) works, or reputable education or training vendors.

Applications for IWT programs should demonstrate the need for training, to include:

- Declining sales,
- Supply chain issues,
- Adverse industry market trends,
- Changes in management behavior or ownership,
- Phasing out of certain function(s) with the introduction of new function(s) that require worker retraining,
- Required skill changes that would otherwise require downsizing, layoffs, etc. if not addressed including, but not limited to:
    - Skill changes required by external economic or market forces
    - Significant changes in technology or operating processes
    - Rapidly changing industry or occupational job requirements
    - Emergence of new products
- New technology and/or equipment implementation,
- Creation of new employment opportunities that require advance skills and knowledge, or
- Other reason justified in the application and deemed appropriate by NOW.

Application and Award
Completed applications should be submitted to info@onwib.org. Funds will be awarded based on funds availability as well as need and appropriateness of training relevant to local industry priorities. At its discretion, NOW may use a competitive process with application deadlines to award resources and otherwise will allocate funds on a first-come first-serve basis while funds are available.

If awarded, employers will sign an IWT agreement, acknowledge receipt of Grievance & Complaint Procedures and EEO Notification and any other documents required by the fund source. Upon completion of the training, and prior to reimbursement, the employer will submit employee eligibility documentation (name, gender, SSN, date of birth, job title, wage for each trainee), certificates of completion and/or copies of the credentials for each trainee, and any other documents required by the fund source.

Due to varying funding source requirements, the Incumbent Worker Training may/may not be made on a reimbursement basis. In the case of reimbursement funding, the employer must pay for the training prior to asking for reimbursement from NOW. Reimbursements will be made to the employer within 60 days of receipt of a copy of the invoice and proof of payment for the training.

NOW may follow-up with employers receiving IWT funds for up to one year following the training end date to verify information regarding the employee(s) who received incumbent worker training, including employment status, wage information and job title.

INCUMBENT WORKER TRAINING
APPLICATION FORM

Name of Employer (applicant organization):	
Contact Name:	
Contact Job Title:	
Contact Phone Number:	
Contact Email:	
Company Physical Address:	
Mailing Address, if different:	
County:	□ Benton □ Clatsop □ Columbia □ Lincoln □ Tillamook
Industry:	□ Manufacturing □ Healthcare □ Leisure and Hospitality □ Other:
Federal ID Number:	**Date Established:**
Number of Full-Time Workers:	**Number of Part-Time Workers:**

Has the company operated in Oregon for at least one year prior to the date of application?
□ Yes □ No

Has the company relocated from another location resulting in layoffs in the preceding 120 days?
□ Yes □ No

Is the company current on all federal, state, and local tax obligations?
□ Yes □ No

Does the company have an equal opportunity/non-discrimination policy in place?
□ Yes □ No

Is the company subject to a collective bargaining agreement?
□ Yes □ No
*If yes, and if union represented employees will be participating in the training activities of this program, it is required that consent be obtained from the representing union to collect the eligibility data from the employees **PRIOR** to funding approval.*

Please provide a brief description of the business, product and/or service(s).

Indicate the challenge(s) currently faced by the company that potential training would address:

□ Declining sales,
□ Supply chain issues,
□ Adverse industry market trends,
□ Changes in management behavior or ownership,
□ Phasing out of certain function(s) with the introduction of new function(s) that require worker retraining,
□ Required skill changes that would otherwise require downsizing, layoffs, etc. if not addressed including, but not limited to:
  - Skill changes required by external economic or market forces
  - Significant changes in technology or operating processes
  - Rapidly changing industry or occupational job requirements
  - Emergence of new products
□ New technology and/or equipment implementation,
□ Creation of new employment opportunities that require advance skills and knowledge, or
□ Other reason justified in the application and deemed appropriate by NOW. Please explain:

Please describe the challenges that would be addressed by the proposed training.

How will this training make the employees more competitive in the economy and/or retain their employment?

How will the training make the company more competitive?

What is the potential for wage increases within one year of training?
Please describe the training, including training vendor, curriculum, hours of training, start and projected end date of training, number of employees to receive training, location of training delivery, method of training delivery, and whether the training will result in an industry recognized credential at the end of training (include name of credential, if applicable).

Training Budget

Category	Requested Funds	Employer Contribution
Non-company instructor or tuition costs		
Training-related rentals (tools, equipment, facilities, etc.)		
Training Materials and Supplies		
Other Costs (Describe)		
Travel/per diem for Instructor		
Trainee Wages	Not Paid For by NOW	
TOTALS		

Signature	**Date**