

INCUMBENT WORKER TRAINING

Effective

July 1, 2025

Purpose

The purpose of this policy is to provide guidelines for Incumbent Worker Training (IWT) activities in accordance with the federal Workforce Innovation and Opportunity Act (WIOA) legislation. This policy applies to providers of WIOA funded services in WIOA Area 6.

Applies To

1. Stark Tuscarawas Workforce Development Board (STWDB)
2. Workforce Initiative Association (WIA)
3. All Area Subrecipient IWT Providers
4. Contracted IWT Employers

References

1. Workforce Innovation and Opportunity Act (WIOA)
2. [ODJFS WIOAPL 15-23.2](#) Incumbent Worker Training (IWT) Guidelines

Related Documents

Not Applicable

Background

Work-based training is employer-driven with the goal of unsubsidized employment after participation. Generally, work-based training involves a commitment by an employer or employers to fully employ successful participants after they have completed the program. It can be an effective training strategy that can provide additional opportunities for participants and employers in both finding high quality work and in developing a high-quality workforce. Work based models can be effectively used to target different job seekers and employer needs.

IWT is one type of work-based training model and is designed to either assist workers in obtaining the skills necessary to increase wages or to avert layoffs and must increase both a participant's and a company's competitiveness. WIOA allows local workforce development areas to use up to 20 percent of their local adult and dislocated worker formula funds for incumbent worker training.

Definitions

- **Cohort:** a group of trainees to be trained by an employer as part of a single application for IWT.
- **Incumbent worker:** a worker employed with the company for at least six months when the incumbent worker training starts.
- **Incumbent worker training:** 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 maintain or retain employment or have the opportunity for increased earnings potential through promotion.
- **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:
 - A worker's job is saved at an existing employer facing a risk of downsizing or closing; (or)

- 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.

Policy & Procedure

The purpose of the IWT program is to support training projects that will benefit Stark and Tuscarawas County employers. STWDB maintains a primary priority for manufacturing and healthcare In- Demand sectors, assisting the skill development of existing employees. The training is expected to lead to the creation of new jobs, retention of jobs, increased wages for better-trained workers, a higher-skilled workforce, increased employer productivity, and a more profitable business climate. Incumbent worker training is generally developed with a business that is expanding capacity, incorporating new technology, or is at risk of closing or downsizing, or with employers that have identified training necessary for their workforce. IWT funds are prioritized for private businesses. Healthcare providers that are operating as not-for-profit entities are the only allowable exceptions to this prohibition.

This program is funded under the federal Workforce Innovation and Opportunity Act, § 134(d)(4), Public Law 113-128 and is governed by the requirements of the Act and final regulations. STWDB works with the Board of Local Elected Officials in Stark and Tuscarawas Counties and oversees the WIOA federal programs and funds.

The IWT program is a reimbursement of total funds up to \$10,000.00 per company, per approval. Requests cannot exceed \$10,000.00 in WIOA contributions. Companies are eligible to apply only if at least 24 months have passed since the reimbursement payment date of their most recent IWT-funded training.

Employers are required to contribute no less than fifty percent (50%) of non-federal share training costs, in cash, for a training project.

The full execution of the IWT program is contingent upon the availability and receipt of WIOA funds and does not otherwise constitute an obligation on the part of STWDB.

Trainees (existing employees) must be 18 years or older and an Ohio resident to be eligible.

Incumbent Worker Training Goals and Anticipated Outcomes

The IWT application is intended for training which addresses one or more of the following:

- Results in measurable increases in employee wages following successful completion of training, which may or may not be accompanied by a promotion, demonstrating the value and impact of skill advancement.
- Enhances employees' current skills, provides skill sets for future jobs, introduces skills for new technologies and new production or service procedures, upgrades employees to new jobs that require additional skills, eliminates skills gaps particularly in "soft skill" areas, increases retention in employment, increases individual's wages, or is otherwise appropriate to the purpose and goals of the program.
- Proof of training is typically documented when the trainee receives a certificate after training is completed.
- Recertification(s) will not be funded under this program.

Training Providers

IWT may be provided through an Individual Training Account (ITA) or through a contract for services. If the training is provided through an ITA, all requirements of such ITA must be followed, including WIOA eligibility requirements for adults and dislocated workers and the use of approved eligible training providers under

WIOA.

If a contract is used to provide the IWT, this contract must have been established through proper procurement procedures.

The training may be provided by a public or private educational institution, a private training company, a private instructor, an employee of the participating employer, or a combination of two or more of these entities.

Training providers should have satisfactory past performance, curricula that leads to credentials, relevant training experience, high job placement rates, and/or high training completion rates.

Training may be conducted at the employer's own facility, at a public or private training provider's facility, online, or at a combination of sites that best meets the needs of the employer and trainees. The training facility should provide an environment that supports learning and be within reasonable proximity to the trainees, so the cost and time required for travel is minimized.

Types of Incumbent Worker Training

IWT is restricted to skill attainment activities. The training should benefit workers by making them more qualified in their line of business and/or by providing them with skills for new products or processes. It is desired that the training results in credentials or industry recognizable skills that promote the worker's career and increases the overall employability.

Allowable Types of Training for Incumbent Workers:

1. Skills upgrading and retraining: Short-term training that enhances occupation-specific skills or basic skills that lead to a credential/certificate.
2. Customized training: Customized training is conducted with a commitment by an employer or group of employers to employ an individual upon successful completion of training.
3. Occupational skill training (individual training accounts): Training that leads to an industry recognized credential or a certificate.

Eligibility for Participating Businesses

IWT is one of many business services offered through STWDB. STWDB reserves the authority to delegate discretion and approval power to its designated service provider(s) for evaluating and determining employer eligibility, ensuring flexibility and responsiveness in meeting local workforce needs. The criteria which STWDB must take into account for an employer to be eligible to receive local incumbent worker funds include:

1. The characteristics of the participants in the program;
2. The relationship of the training to the competitiveness of a participant and the employer; and
3. Other factors STWDB determines appropriate, including number of employees trained, wages and benefits including post training increases, credentials and skills gained as a result of the training, and the existence of other training and advancement opportunities provided by the employer.

There are also businesses that should not participate in this activity due to past or current violations of local, state, or federal law; unfair labor practices; and other conditions identified during the course of conducting initial employer assessments and reviewing contract requirements, assurances, and certifications. Businesses will be required to self-attest that they meet all of the qualifying criteria outlined below. Businesses that fail to meet any of the following qualifying criteria are not eligible to receive funds for incumbent worker training:

1. Businesses must not be presently debarred, suspended, proposed for disbarment, declared ineligible, or

voluntarily excluded from participation in transactions by USDOL or the state of Ohio. Below are three websites that may be helpful in checking tax, environmental compliance, and debarment status.

- a. Federal Exclusion and Debarment Site: <http://www.sam.gov>
 - b. Ohio Department of Taxation: <http://www.tax.ohio.gov>
 - c. Business Filing Search: <http://www.sos.state.oh.us>
2. Businesses shall not have any outstanding tax liability to the state of Ohio for over six months. Businesses are required to disclose any known outstanding tax liabilities with other states prior to entering into contract. Existing out-of-state violations may be considered when determining eligibility to receive incumbent worker training funds. Any resolution of outstanding tax liability will be documented, which may include letters from the business or from the State from which the tax liability occurred.
 3. Businesses must ensure that they are not on the most recent list established by the Ohio Secretary of State that would identify them as having more than one unfair labor practice contempt of court finding.
 4. Ohio businesses must have all of the approvals, licenses, or other qualifications needed to conduct business in the state and all must be current. Should this status change during the course of the local IWT program activities and the business is disqualified from conducting business in Ohio, all training under the IWT program must cease.
 5. Government, including the city, county and state, and religious entities, may not participate in the local IWT program.
 6. Businesses that have relocated to Ohio and have laid-off workers at their former location in the United States may not be considered for this program until they have been in operation at the new location for 120 days.
 - To verify that a business is not relocating employment from another area, a pre-award review must be undertaken and documented, which will be satisfied via self-attestation. 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. The review may also include consultations with labor organizations and others in the affected local area(s).
 7. Businesses must not have any outstanding civil, criminal or administrative fines or penalties owed to or pending in the state of Ohio.

Eligibility of Incumbent Workers

To qualify as an incumbent worker, the incumbent worker needs to be employed, meet the Fair Labor Standards Act requirements for an employer-employee relationship, and have established employment history with the employer for six months or more. **When 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 6 months or more if the majority of employees being trained meets the employment history requirement.** An incumbent worker does not necessarily have to meet the eligibility requirements for career and training services for adults and dislocated workers under WIOA.

Procurement of Training

A business may be considered a "beneficiary" of this federal program and receive incumbent worker training assistance on a reimbursement basis. WIOA subrecipients and vendors are not considered to be beneficiaries. In order for a business to utilize the beneficiary option, the following guidelines must be followed:

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

2. Approval of a training plan by STWDB's service provider is required before reimbursement may be provided to a beneficiary. The development of training plans is the joint responsibility of STWDB's service provider and the business.
3. The training plan must identify all of the following:
 - a. The provider(s) of training;
 - b. Type of training;
 - c. Planned start and end dates;
 - d. Number of individuals to be trained;
 - e. The projected cost of training; and
 - f. Any other information required by STWDB.
4. All training costs must be allowable as defined in this policy. Training plans must be approved prior to the start date of training. Beneficiaries must agree to provide all documentation required as part of this policy in order to be reimbursed for the training.
5. Training providers are not required to be listed on the state's eligible training provider list if receiving IWT assistance on a reimbursement basis. STWDB and its service providers may assist business beneficiaries in identifying potential providers of training; however, the selection of a training provider is not subject to state or federal procurement requirements.

Allowable and Unallowable Costs for Incumbent Worker Training Program

Allowable costs may include only costs directly related to training. Allowable costs may include:

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

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;
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 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.

Responsible Party

Executive Director, Stark Tuscarawas Workforce Development Board
Assistant Director, Stark Tuscarawas Workforce Development Board

Approving Authority

Board of Trustees, Stark Tuscarawas Workforce Development Board

Revision History

03-06-2024 | 07-01-2025