



Workforce Issuance

100 DCS 14.103

☒ Policy ☐ Information

To: Chief Elected Officials
MassHire Workforce Board Chairs
MassHire Workforce Board Directors
MassHire Career Center Directors
MassHire Fiscal Officers
MDCS Operations Managers

cc: WIOA State Partners

From: Diane Hurley, Acting Director
MassHire Department of Career Services

Date: November 10, 2023

Subject: **Incumbent Worker Training**

Purpose: To provide guidance to MassHire Workforce Boards, MassHire Career Center Operators and other workforce partners regarding Incumbent Worker Training.

Background: Incumbent Worker Training (IWT) provides both workers and employers with the opportunity to build and maintain a quality workforce and is governed by sections 20 CFR 680.780 through .820 of the Final Rule. IWT is designed to meet the needs of an employer or group of employers to retain a skilled workforce or avert layoffs. IWT is not permitted to be used to provide the occupational training a new hire needs. IWT can be used to either:

- Help avert potential layoffs of employees, or
- Obtain the skills necessary to retain employment, such as increasing the skill levels of employees so they can be promoted within the company and create backfill opportunities for less-skilled employees.

Policy: Under section 134(d)(4) of WIOA and 20 CFR 680.800, a Local Workforce Development Board (WDB) can use up to 20 percent of their WIOA Title I Adult

and Dislocated Worker funds to provide for the federal share of the cost of providing IWT.

For example, if a Local WDB receives \$1.5 million in WIOA Title I Adult funds and \$1.0 million in WIOA Title I Dislocated Worker funds; it may use up to \$500,000 (20 percent of the total) for IWT. This 20 percent can be used for IWT activities that are programmatic in nature, as administrative activities must be paid out separately from the Board's administrative funds.

Local Workforce Boards that utilize WIOA Title I Adult and Dislocated Worker funding for Incumbent Work Training must develop a local policy that meets the following:

- Minimum requirements allowed under WIOA addressed within this policy.
- Consistent with the 4-Year Local Plan as well as career pathway and sector strategy approaches for in-demand occupations.

Employer Factors

- The Local WDB must assess an employer's appropriateness for participating in IWT based on the following factors: The characteristics of the individuals in the program (e.g. individuals with barriers to employment);
- Whether the training improves the labor market competitiveness of the employees or both the employees and the employer;
- Whether the employer is an in-demand industry within the region;
- Current in unemployment insurance and worker's compensation taxes, penalties, and/or interest or related payment plan; and
- Other factors the Local WDB may consider appropriate, including:
 - the number of employees participating in the training;
 - wage and benefit levels of those employees (both pre-and post-training earnings);
 - the existence of other training and advancement opportunities provided by the employer;
 - credentials and skills gained as a result of the training;
 - layoffs averted as a result of the training;
 - utilization as part of a larger sector and/or career pathway strategy;
 - employer size; or
 - employer viability

The Local Workforce Board must document the factors that were considered in approving an employer's participation IWT.

Employee Eligibility

Individual(s) eligible to receive IWT must be:

- Employed;
- Have an established employment history with the employer for 6 months or more (which may include time spent as a temporary or contract worker performing work for the employer receiving IWT funds).

There is one exception to the six-month requirement, which is that if incumbent worker training 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. If a majority (51% or more) of the employees being trained meet the employment history requirement, an exception can be made.

An incumbent worker does not have to meet the eligibility requirements for career and training services for adults and dislocated workers under WIOA; unless they are also enrolled as a participant in the WIOA Adult or Dislocated Worker Program.

The employee and employer must meet the Fair Labor Standards Act requirements for an employer-employee relationship

Defined Populations

A. Non-profit and Local Government Entities

Generally, IWT should be provided to private sector employers; however, there may be instances where non-profit and local government entities may be the recipients of IWT funds. For example, IWT may be used in the health care industry where hospitals are operated by non-profit or local government entities and a nursing upskilling opportunity is available.

B. Underemployed

IWT can also be used for underemployed workers—e.g. workers who would prefer full-time work but are working part-time for economic reasons. While these workers are employed, they may have accepted reduced hours to gain or maintain employment or a previous dislocation has led them to accept reduced employment and often lower wages that may have a permanent effect on their careers.

The use of these strategies may focus on increasing skills for underemployed frontline workers to advance these workers to more skilled positions with the same employer or industry sector leading to an increase in earnings through more work hours or an increase in pay.

As part of an incumbent worker upskilling strategy, Local WDBs are also encouraged to develop an upskill/backfill strategy, which involves filling jobs vacated by workers who are moving into more advanced positions in the

company with other Career Center participants. Local WDBs are encouraged to develop contracts such that once incumbent workers advance with the employer; the employer then provides an opportunity to the Local WDBs to fill this now vacant position with a local Career Center participant.

Local WDBs must develop a process for documenting the six-month work-history requirement for IWT recipients with the employer. The contract between the Local WDB and the employer must include this as a term of the contract.

Employer Payment Requirement

Employers are required to pay the non-Federal share of the cost of providing incumbent worker training. WIOA sec. 134(d)(4)(D) requires Local WDBs to establish policies regarding the non-federal share of the cost of IWT. Employers are required to pay a portion of the training for those individuals in incumbent worker training and this may be done through both cash payments and fairly evaluated in-kind contributions. The employer contribution may include the wages the employer pays to the incumbent worker trainee while the worker is attending training.

Under section 134(d)(4)(D) of WIOA, in establishing the employer share of the cost, the Local WDB must consider:

- the number of employees participating in the training,
- the wage and benefit levels of the employees (at the beginning and anticipated upon completion of the training), the relationship of the training to the competitiveness of the employer and employees, and
- the availability of other employer-provided training and advancement opportunities.

The employer's payment for the non-federal share can be cash payments, fairly evaluated in-kind contributions, or both. The maximum amount of employer share in the IWT depends on the size of the employer and may not be less than:

- 10 percent of the cost, for employers with 50 or fewer employees.
- 25 percent of the cost, for employers with between 51 to 100 employees; and
- 50 percent of the cost, for employers with more than 100 employees.

Reporting Requirements

Local area fiscal agents will report expenditures related to incumbent worker training on the Fiscal Status Report (FSR) for:

- The non-federal share employers provide based on incumbent worker training contracts.
- Expenditures charged to Adult and Dislocated Workers funds for incumbent worker training costs.

MOSES Data Entry

MassHire Career Center staff must check off Incumbent Worker Training (Trng) on the Training Enrollment Detail screen in MOSES to track participation in the Incumbent Work Training Program.

Training Enrollment Detail

Career Center: Hurley / Saltonstall MOSES Unit
 Created Date: 10/06/2023
 Training Course ID: [] Course Search
 Training Course: []
 Training Provider: []
 Occupation Description: []
 Location / Worksite: []
 Referral Date: 10/06/2023 [c]
 Enrollment: ☐ Yes ☐ No
 Start Date: 00/00/0000
 Section 30: []
 Section 30/TAA Start Date: 00/00/0000 [c]
 Last Update Date: []
 Staff ID: JBOUC
 Hourly Wage (\$): .00
 Hourly Wage Subsidy (\$): .00
 Hours / Week: 0
 Pell Recipient: ☐ Yes ☐ No
 Amount (\$): .00
 Estimated Completion Date: 00/00/0000 [c]
Completion Information
 Course Completion Status: Pending
 Course Completion Date: 00/00/0000
 Course Completion Hours: []
Eligible Funding Streams
 Group Contract Enrollment: ☐ Yes ☐ No **Incumbent Worker Trng ☒**
 Cost (\$) Obligated to the Funding Source(s): .00
 Voucher: Not Issued
Evaluations
 Notification Method: N/A
 Evaluation Status: N/A
 Notification Sent Date: 00/00/0000
 Display Form OK Cancel

Action

Required: Local Workforce Boards must assure that all appropriate staff is informed and knowledgeable of the policy and related procedural requirements describe wherein.

Effective: Immediately.

Inquiries: Please send all inquiries to PolicyQA@mass.gov. Please include the description and policy number with your submission.