

# INCUMBENT WORKER TRAINING (IWT)

Southern 14 Workforce Investment Board, LWIA #26

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## PURPOSE

In order to provide for a full continuum of training services to our business customers, Local Workforce Investment Area (LWIA) #26 will offer the Incumbent Worker Training program for Illinois businesses in the fourteen counties of Alexander, Edwards, Gallatin, Hamilton, Hardin, Johnson, Massac, Pope, Pulaski, Saline, Union, Wabash, Wayne, and White that make up Local Workforce Area (LWA) #26. Policies and procedures are established in accordance with state policy. Incumbent worker training helps employers upgrade the skills of their workforce in order to become and remain competitive in both regional and global markets. Incumbent Worker Training is therefore 'employer driven' and responds to changes in market conditions as well as the introduction of new technology into the workplace. The employer is the primary customer and beneficiary of the training. The purpose of this program is to assist businesses who have the need to train and re-train existing members of their workforce, and to enable the companies, as well as the employees, to remain competitive in the local regional economy. LWIA 26 will continue all WIOA required services using the LWIB's dislocated worker formula allocations. LWIA 26 will continue to meet its performance and expenditure benchmarks for dislocated worker formula allocations.

Funds available through Incumbent worker training projects can be utilized by a specific employer or a group of related employers in the following industries:

- Transportation and Warehousing
- Health Care and Social Assistance
- Retail Trade
- Manufacturing
- Accommodation and Food Services
- Arts, Entertainment, and Recreation
- Natural Resources and Mining, including logging
- Agricultural Production
- Green Jobs

## PROGRAM DESCRIPTION

Incumbent worker training is defined as training designed to keep businesses and workers competitive by keeping workers employed, averting layoffs, upgrading workers' skills, increasing wages earned by employees, and improving employees' marketability.

- Incumbent work training programs are for non-WIA eligible employees.
- Incumbent worker training activities must comply with all of the requirements of state policy.

## FUNDING CATEGORIES

To apply for these funds, the incumbent worker training program should result in one or more of the following:

- Enhanced Employability
- Job Upgrades
- Increased Wages
- Increased Job Security

## ALLOWABLE ACTIVITIES

Costs that are reasonable and necessary for the conduct of the training are allowable. Listed below are costs that may be reimbursed through the grant or used as the matching contribution.

- a. Training Development;
- b. Instructor Wages;
- c. Tuition;
- d. Training Materials and Supplies;
- e. Fees Required to Complete Training;
- f. Travel for Trainers and Trainees beyond normal commute;
- g. Training Facility costs (off-site);
- h. Training Facility costs (on-site);
- i. Cost for use of Firm's Equipment During Training;
- j. Wages of Trainees while in Training (matching costs only);
- k. Fringe Benefits of Trainees while in Training (matching costs only); or
- l. Fees for Technical or Professional certifications.

Trainee wages and fringe benefits while in training may be used to meet the employer's match requirement, but are not reimbursable costs to the WIOA grant. Supportive services, although not prohibited, are discouraged. Since incumbent Workers are employed, the need for supportive services underwritten with WIA funds is expected to be minimal.

## INCUMBENT WORKER ELIGIBILITY

Only the employees of the specific businesses listed in the project plan who are to receive training related to a targeted occupation are part of the "eligible group". Therefore, all workers who receive incumbent worker training must be an incumbent worker based on this definition:

- a) An individual (or group of individuals) with an employment relationship with a participating employer or group of participating employers in a targeted industry (as cited in the local plan), and
- b) An Individual who is receiving upgrade training:
  - To increase his or her skills in an occupation in which the individual is already an incumbent; or
  - To prepare the worker for entry into a new occupation within the targeted workforce (i.e. the workforce of the participating employer or group of employers).
- c) The primary customers for incumbent worker training services are the participating employers or group of employers, as cited in "a" above and may be locally defined. Such employers must be actively participating in a WIOA funded incumbent worker training program. And, such employers must be industry focused.

And must be:

- an adult, age 18 or older,
- authorized to work in the United States and compliant with military Selective Service requirements, if applicable.

## PROGRAM FUNDING

Incumbent worker training is a collaborative effort between private and public resources. Therefore, it is expected that employers make some contribution to the overall program cost. Applications will be required to identify value of cash or in-kind contributions to the incumbent worker program and the costs must be reasonable.

The application should be filed prior to the actual training; however, payment will only be released upon receipt of the following items:

- Invoices and Proof of Payment
- Attendee List/Timesheets
- Proof of Training Completion for Incumbent Workers

### **Matching**

Applications will require the identification of cash or in-kind contributions to the incumbent worker program and the costs must be reasonable. For projects involving an individual employer, the match will be:

The type of match, either in cash or in-kind, is fairly evaluated and follows the specified non-federal share (match) requirements below:

- 1) Ten percent (10%) of the cost, for employers with not more than fifty (50) employees;
- 2) Twenty-five percent (25%) of the cost, for employers with more than fifty (50) employees, but not more than one hundred (100) employees; or
- 3) Fifty percent (50%) of the cost, for employers with more than one hundred (100) employees.

In the event a project plan is submitted by a group of employers, the percentage of the non-federal share will be calculated using the formula as noted in state policy.

### **APPROVAL PROCESS**

Project plans will be reviewed by the members of the Southern 14 Workforce Investment Board (So 14 WIB). The following criteria will be used in the evaluation process:

- Benefits to Target Industries
- Quality of the Training
- Benefits to Workers
- Appropriateness of Costs
- Matching Costs
- Non-duplication of past training programs
- Lay-off aversion 'at-risk' indicator(s) addressed by project.

*Applications will be processed on a first-come, first-served basis until all program funds are expended.*

### **OJT**

For On the Job Training information see policy 24.

**“Equal Opportunity Employer/Program. Auxiliary aids and services are available upon request to individuals with disabilities.”**

**ATTACHMENT A**

# REQUEST FOR INCUMBENT WORKER TRAINING FUNDS

SOUTHERN 14 WORKFORCE INVESTMENT BOARD, INC.

You may qualify for funding to offset the cost of training your current employees. If interested, please review the Policies & Procedures, complete the short application, and send it in. Someone from our office will contact you on the next steps. Small and large businesses are encouraged to apply.

Applying Business Name: \_\_\_\_\_

Contact Name: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Telephone Number: \_\_\_\_\_ Fax: \_\_\_\_\_

E-mail Address: \_\_\_\_\_ (FEIN): \_\_\_\_\_

Total # employed fulltime by company \_\_\_\_\_

Name of Training Program \_\_\_\_\_

Please include a narrative description for the following:

- > Type of training
- > Number of employees to be trained
- > Justification of need for training
- > Training dates
- > Itemized Budget (i.e.: Training cost, books, fees, etc.)
- > Layoff Aversion Indicator (Attachment D)
- > Copy of training objectives/outline
- > Employer match and other contributions
- > Expected Outcomes
- > Include wage amounts at completion and or promotions earned also future hiring expectations

\_\_\_\_\_  
Signature of Company Official

\_\_\_\_\_  
Job Title

\_\_\_\_\_  
Date

**Please submit request to:**

**Southern 14 Workforce Investment Board, Inc.**  
P.O. Bo 186  
Carmi Illinois, 62821  
Or email  
[p.barbee@so14lwib.com](mailto:p.barbee@so14lwib.com)

"Equal Opportunity Employer/Program. Auxiliary aids and services are available upon request to individuals with disabilities."

**ATTACHMENT B**

# INCUMBENT WORKER TRAINING PROJECT PLAN

Complete one (1) Project Plan Per Company

**DCEO Use Only**

IWDS Project Number: \_\_\_\_\_

1. Check whether the project is local or part of CSSI  Local Project  CSSI Project

## Company Information

2. Company Name: \_\_\_\_\_

3. Project Name: \_\_\_\_\_

## Company Contact Information

4. Name: \_\_\_\_\_ 5. Title: \_\_\_\_\_

6. Organization: \_\_\_\_\_

7. Telephone: \_\_\_\_\_ 8. Email Address: \_\_\_\_\_

## LWIA Contact Information

9. LWIA Name: \_\_\_\_\_ 10. LWIA Number: \_\_\_\_\_

11. LWIA Contact Name: \_\_\_\_\_

12. Telephone: \_\_\_\_\_ 13. Email Address: \_\_\_\_\_

## Project Description/Information *(use the addendum if more space is needed for questions 14,15 & 18 below)*

14. List the targeted industry(ies) and/or occupation(s) by sector:

Sector	Industry(ies)	Occupation(s)

15. List the organization/companies involved in the project (briefly describe their roles):

Organization/Company	Role

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## INCUMBENT WORKER TRAINING PROJECT PLAN

16. Discuss the need for training and the expected benefits that will improve productivity (include the benefits such as opportunities for 'backfill', strengthens business relations, etc.):

17. Describe the type and quality of training to be provided through this project (must be job specific):

18. Describe the key project activities along with a projected start and end date:

Activities	Projected Start Date	Projected End Date

19. What is the budget for the training portion of this project? (Do not include employee wages or other match):

20. Describe how the employer match will be provided ( include source, amount and commitment):

21. How many workers will be trained and obtain upgraded skills and/or jobs? (As applicable, include credentials obtained, jobs to be created or retrained, wage increases and the number to move into any targeted jobs):

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## INCUMBENT WORKER TRAINING PROJECT PLAN ADDENDUM

Use this page if additional space is needed for questions 14,15, & 18.

14. List the targeted industry (ies) and/or occupation(s) by sector:

Sector	Industry(ies)	Occupation(s)

15. List the organization/companies involved in the project (briefly describe their roles):

Organization/Company	Role

18. Describe the key project activities along with a projected start and end date:

Activities	Projected Start Date	Projected End Date

# Incumbent Worker Training Quarterly Report

## Complete one (1) Quarterly Report Per Company

DCEO USE ONLY

IWDS Project Number:

1. Check whether the project is local or part of CSSI  Local Project  CSSI Project

### Company Information

4. Company Name: \_\_\_\_\_

5. Project Name: \_\_\_\_\_

### Company Contact Information

4. Name: \_\_\_\_\_ 5. Title: \_\_\_\_\_

6. Organization: \_\_\_\_\_

7. Telephone: \_\_\_\_\_ 8. Email Address: \_\_\_\_\_

### LWIA Contact Information

9. LWIA Name: \_\_\_\_\_ 10. LWIA Number: \_\_\_\_\_

11. LWIA Contact Name: \_\_\_\_\_

12. Telephone: \_\_\_\_\_ 13. Email Address: \_\_\_\_\_

### Project Status

#### Overall Project Status

- On Schedule  Ahead of Schedule  Behind Schedule (explain in #17)  Need Assistance (explain in #21)

14. **Project Overview** (briefly, provide an overview of the targeted sector, industry, occupation and partners involved in the project):

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15. **Outcomes Achieved this Quarter** (list below in dot point format, progress toward or outcomes achieved over the past three months):

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16. **Progress During this Quarter** (discuss major project activities undertaken during the reporting period):

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## Incumbent Worker Training Requirements Layoff Aversion 'At-Risk' Indicators

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Below are some of the 'at-risk' indicators Illinois has identified to determine if a business is in need of intervention. In many cases, more than one 'at-risk' indicator will apply or overlap between the indicators may occur.

**Declining sales** - A company has undergone or will undergo (must be confirmed) a significant loss in sales that puts part of their workforce in threat of layoff. Declining sales must be expressed in terms of X\_dollars or Y units for Z period of time (months or years) along with information that provides known or suspected reasons for the decline. When determining if a decline in sales is the cause of a potential layoff, have considerations been given to the industry as a whole, is the decline a percentage of the market, has product quality, production delays, or pricing contributed to the decline in sales, etc.

**Supply chain issues** - A company loses a supplier or consumer that threatens the employment of part of their workforce, or acquired a new supplier that requires new skills to maintain the workforce. Supply chain issues must be accompanied by an explanation as to why the change occurred, whether it was the supplier's choice to end the relationship or the company's decision to order from a different firm. When determining whether a supply chain issue will contribute to a potential layoff, have considerations been given to other suppliers' ability to provide same or like products, has the company considered alternative product(s) production and sales that would not require retaining of staff or layoff, can the new training required be conducted by the new supplier, etc.

**Adverse industry/market trends** - The industry/market standards have changed to the point where new training is needed to retain the current workforce. Adverse industry or market trends are an occurrence that is from no fault of the prospective company. These may be the result of higher standards of construction materials, safety standards, or other factors that requires a change in the methods a product may be produced or materials that may be included in the construction. When considering whether adverse trends may cause a potential layoff, has the company consulted with industry experts to determine if assistance is available to assist with upgrades to the manufacturing process or employee knowledge, contacted other companies in the industry to share upgrades in skills training or equipment, etc.

**Changes in management philosophy or ownership.** - A company has undergone a new approach to conducting business or new ownership requires new skills to maintain the employment of part of the workforce. Changes in ownership are generally the result of lack of profitability, but may also occur where a company is profitable, but not profitable enough (this level of profit may meet the profit requirements of another owner) or the current owners don't have the resources to take advantage of new business strategies. An owner may also pass away unexpectedly without a succession plan in place. New or changes in philosophies will generally accompany new ownership. Changes in philosophy may also occur when operations no longer meet their core business application or are viewed as excess capacity to their overall operations. When considering changes in ownership or philosophy as the cause of a potential layoff, has new ownership been determined (including such options as employee stock ownership plans), have alternatives been considered in the restructuring of the company that might reduce the number of layoffs, have community groups and labor organizations been involved in the discussions to lend their expert advice, etc.

## ATTACHMENT D

**Worker does not have in-demand skills** - A worker's skills or functions are not longer 'in-demand' and they are at risk of losing their employment with the company without undergoing new training and acquiring new skills. A lack of in-demand skills may be the result of a change in philosophy or product line or a change in the industry demands that results in the need for new technologies and abilities by the current workforce. Products and productions lines are ever changing as they adapt to the needs of the market. With these changes comes a need for evolving of the skill set of the workers. When considering if the lack of in-demand skills is the cause of potential layoffs, has it been determined which workers have the ability to attain new in-demand skills, are there other considerations to be made with an increase in in-demand skills such as new equipment/machinery needs or safety devices, etc.

**Strong possibility of a job if a worker attains new skills** - The workers are in a position that is subject to layoff, and by acquiring new skills training he/she can move into a position that is not subject to lay-off. New skills attainment may avert layoff for individuals within a company or may make them more attractive to other companies. When considering whether the new skills will provide a string possibility to prevent layoffs, what considerations have been given towards where the position would be moved (in-house or with a new company), does the company have the capacity to expand another line of product (new or existing) to support the workers subject to layoff, has the business community shown a need and capacity for additionally trained workers, are the workers willing to relocated if the new opportunities are with another location of the same company or with a new company in different locale, etc.

**Other 'at-risk' indicators** - Additional causes for potential layoffs may exist that the company and local area need to outline in make a case for assistance for incumbent workers. These may be other criteria that the LWIA can gather with the consultation of the employer that puts part of their workforce 'at-risk' for layoff (e.g., trend in company layoffs).