



EMPLOY MILWAUKEE POLICY

POLICY: 20-04, CHANGE 2

SUBJECT: INCUMENT WORKER TRAINING

ISSUANCE DATE: 08/26/24

EFFECTIVE DATE: 08/26/23

REVIEWED DATE: 08/29/24

REFERENCES:

- 20 CFR §680.820, §680.780, §680.790, §680.830, and §680.840
- WIOA §134 (d)(4)(A)(i)(II)(III)
- WIOA §134(d)(4)(B)
- WIOA §134(d)(4)(C) and §134(d)(4)(D)
- WIOA §181(b)(1) and (d)(1)

POLICY SCOPE

- EMPLOY MILWAUKEE AGENCY
- WIOA WDA 2 SYSTEM
- WIOA TITLE I-B PROGRAM(S)
 - ADULT PROGRAM
 - DISLOCATED WORKER PROGRAM
 - YOUTH PROGRAM
- NON-WIOA PROGRAMS
- RE ENTRY PROGRAMS

I. BACKGROUND

The Incumbent Worker Training (IWT) program provides both employees and employers with the opportunity to build and maintain a quality workforce. The IWT program can be used to help avert potential layoffs of employees, or to increase the skill level of employees so they can be promoted within the company and create backfill opportunities for the company.

The training activities for incumbent workers shall be carried out by Employ Milwaukee in conjunction with the employer, or groups of employers, of incumbent workers (which may include employers in partnership with other entities for the purposes of delivering training) for the purpose of assisting such workers in obtaining the skills necessary to retain employment or avert layoffs.

The training must satisfy the requirements of WIOA and other federal grant regulations and increase the competitiveness of the employee or business.

II. PURPOSE

To establish local policy for providing services to incumbent workers under federal and state grants and the Workforce Innovation and Opportunity Act (WIOA) to identify the requirements for One Stop Operators and service providers to adhere to in providing such services to adults, dislocated workers, and youth.

III. POLICY

Agreements with businesses regarding worker training must be in writing and must ensure that all participants are provided a structured training opportunity by which to gain the knowledge and competencies necessary to retain employment and avoid lay-offs.

EMPLOY MILWAUKEE POLICY 20-04, CHANGE 2

A. Employee Eligibility Criteria

To qualify as an incumbent worker, the employee must:

- Be directly employed by the company.
- Meet the Fair Labor Standards Act requirement for an employer-employee relationship, and
- Have an established employment history with the employer for 6 months or more unless the training is provided to a cohort of employees in which case a majority of those employees meet the employment history requirement.
- However, 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 also are enrolled as a participant in the WIOA adult or dislocated worker program.

Additionally, the incumbent worker must:

- Be at least 18 years of age.
- Work at least 32 hours per week.
- Earn an hourly wage above the state minimum wage.
- Agree to cooperate with the data collection requirements.

B. Employer Eligibility Criteria

The IWT program does not limit the kinds of training that businesses may request. Training may include industry or business-specific skills, technical and computer skills, and/or “soft skills,” such as leadership and management training.

When determining the eligibility of an employer to receive IWT funding, Employ Milwaukee shall consider:

- the characteristics of the employee participating in the training;
- the relationship of the training to the competitiveness of a participant and the employer;
- the number of employees participating in the training, the wage and benefit levels of those employees (at present and anticipated upon completion of the training), and the existence of other training; and advancement opportunities provided by the employer.

In addition, an eligible business for IWT must:

- Be in continuous operation for the 12 months immediately prior to the application submittal;
 - Demonstrate training is linked to in-demand occupation(s);
 - Demonstrate training will not only improve the skills of employees but also improve the business’s processes and competitiveness and/or avert a layoff;
 - Employer is aware that IWT should lead to a wage increase and/or promotion within 3 quarters of training completion.
- and
- Agree to cooperate with the data collection requirements.

IWT program funds are limited and are therefore awarded as funds are available. The maximum award amount is \$5,000 per participant per program year, although the maximum award may be adjusted based upon funding availability each program year. The maximum duration for an IWT is 6 months.

EMPLOY MILWAUKEE POLICY 20-04, CHANGE 2

The Governor or State board may also make recommendations to the local board for incumbent worker training that has a statewide impact.

C. Employer Share of Training Costs/Responsibilities:

Employers participating in incumbent worker training are required to pay the non-federal share of the cost of providing training to their incumbent workers.

The **Employer Share** is based on the size of the employer's workforce (not on nationwide employer size). Wages paid to the participant while in training can be included as part of that share and the share can be provided as cash or in-kind that is fairly evaluated. The **Employ Milwaukee Share** is the difference between the total training cost and the **Employer Share**. The **Employer Share/Employ Milwaukee Share** is as follows:

- For employers with 50 or fewer employees: Employer Share 10%/Employ Milwaukee Share 90%
- For employers with 100 or fewer employees: Employer Share 25%/Employ Milwaukee Share 75%
- For employers with more than 100 employees: Employer Share 50%/Employ Milwaukee Share 50%

Business(es) must keep accurate records of the project's implementation process and certify that all information provided, for the purpose of requesting reimbursements and reporting training activity, is accurate and true, including evidence that the business has paid the training expenses in accordance with the terms of the agreement prior to requesting reimbursement of allowable training costs. If applicable, documentation of certificates or credentials obtained is required as well as course sign in sheets if available.

All IWT grants are subject to federal grant reporting requirements and performance standards. The business must submit copies of all credentials, certificates of completion, or other documentation of the employee's participation within 30 days of the end of training to be considered eligible for reimbursement. Other criteria such as proof of wage increase or promotion is required, if applicable.

D. Payment

Employers must pay upfront for the total cost of training. Employers will be reimbursed 80% of the **Employ Milwaukee Share** at the completion of the training. See the contract for required documentation. Employers will be reimbursed the remaining 20% of the **Employ Milwaukee Share** when the employee has obtained a raise, job promotion, or credential. See the contract for required documentation. Employers may invoice 100% if both conditions are met at the time of invoice.

E. Restrictions

- Funds may not be used to directly or indirectly assist, promote, or deter union organizing;
- Funds may not be used to directly or indirectly aid in the filling of a job opening which is vacant because the former occupant is on strike, or is being locked out in the course of a labor dispute, or the filling of which is otherwise an issue in a labor dispute involving a work stoppage;
- Funds provided under WIOA cannot be used to pay the wages of incumbent worker employees during their participant in an economic development activity provided through a statewide workforce development system;
- When a relocation of a business results in the loss of employment of any employee of such business, no funds provided for employment training can be used for incumbent worker training until after 120 days has passed since the relocation that caused the loss of employment at an original business location in the United States;

EMPLOY MILWAUKEE POLICY 20-04, CHANGE 2

- Businesses administering a current Wisconsin Fast Forward and/or Workforce Advancement;
- Training (WATS) grants, or similar grants, are not eligible to receive IWT funds; and
- Funds will not be used to cover training supplies, employer wages, books, etc.

F. Examples

1. Acceptable Trainings:

- Training to gain or maintain an industry recognized certificate/credential.
- Human Resource (HR) Certification (e.g., PHR, SPHR, GPHR, or SHRM). Please note that an HR training credential must be attained, and a copy of the certification will be submitted within 30 days of completion.
- CD-10 training – training that teaches coding professionals how to become proficient in the ICD-10-CM and ICD-10-PCS coding or other similar systems.
- Training for improved process efficiency as identified by industry professionals.
- Training from a national, regional, or state trade association that offers an independently certified training curriculum and testing.
- Training provided in conjunction with the purchase of a new piece of equipment.
- Upgrade of computer skills (e.g., Microsoft Excel, Access).
- Seminars/workshops/webinars are eligible; however, they must have an assessment or “test” tied to it to be eligible for this program. Businesses must indicate in the application what assessment of skills is included for this type of training to justify it will improve economic competitiveness. Failure to include this may exclude the application from consideration.
- English Language Learning for managers or staff to enable them more effectively communicate with limited English employees.

2. Unacceptable Trainings include, but are not limited to:

- Required/regulatory training – training mandated by any other public agency or department is not eligible. These trainings may include, but are not limited to, EPA, Hazardous Waste, FDA, Workers Compensation, OSHA, etc.
- Training costs associated with professional fields in which continuous education is necessary to retain professional certification, such as Certified Public Accountants, degreed medical professionals, insurance providers, attorneys, etc.
- Training which would result in advanced degrees such as associate, bachelor, master, or doctorate.
- IWT already being reimbursed by another state or federal training program (e.g., Other Workforce Development Boards, National Emergency Grants, etc.).
- Training that leads to a professional license (e.g., doctors, lawyers, CPA accountants, etc.).
- Employee travel, food, or lodging costs related to program participation.
- Wages of trainees while being trained.
- Purchases of capital equipment or other durable (long lasting/reusable) training materials/equipment.
- Training in sectarian activities.

G. Definitions

EMPLOY MILWAUKEE POLICY 20-04, CHANGE 2

Incumbent worker: An individual who is employed, meets Fair Labor Standards Act requirements for an employer-employee relationship, and has an established history with the employer for 6 months or more.

Incumbent worker training: Training designed to meet the special requirements of an employer (or group of employers) to retain a skilled workforce or avert the need to lay off employees by assisting workers in obtaining the skills necessary to retain employment. The training is conducted with a commitment by the employer to retain or avert the layoffs of the incumbent worker(s) trained.

In-Demand Industry Sector or Occupation – In General:

- An industry sector that has a substantial current or potential impact (including through jobs that lead to economic self-sufficiency and opportunities for advancement) on the State, regional, or local economy, as appropriate, and that contributes to the growth or stability of other supporting businesses, or the growth of other industry sectors; or
- An occupation that currently has or is projected to have a number of positions (including positions that lead to economic self-sufficiency and opportunities for advancement) in an industry sector so as to have a significant impact on the State, regional, or local economy, as appropriate.

IV. PROCEDURES

Not applicable

V. ACTION REQUIRED

- Posting of this Policy to the Employ Milwaukee website for open access to all personnel.

REVISIONS: [Policy 20-04, Change 1 Issued 8/26/21](#)

BOARD APPROVAL DATE: [08/25/23](#)

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