Incumbent Work Training Policy: Philadelphia Works, Inc.

Overview:

Under the Workforce Innovation and Opportunity Act (WIOA), Incumbent Worker Training (IWT) is a training option available to businesses located in Philadelphia with the overarching goal to train and upskill their staff. This training provides workers the skills necessary to retain employment and see advancement within the organization. Incumbent Worker Training provides funding for businesses to avert layoffs, increase the company's competitiveness, and see an increase in return on investment (ROI).

Employer Eligibility

Businesses interested in Incumbent Worker Training funds must meet the following eligibility criteria:

- Be located in Philadelphia ***or*** train employees that reside in Philadelphia
- Be in operation for at least one (1) year
- Be in one or more of the following:
    - An in-demand industry*
    - A stable industry*
    - A declining industry with compelling reasons (e.g., evidence of long-term viability of the employer) justifying investments in incumbent worker training

  ** as determined by CWIA labor market information*
- Acknowledgement and agreement that IWT will be offered to support workers in obtaining the skills necessary to retain employment, avert layoffs, and provide upskilling
- Commitment to retain the incumbent workers trained and provide a wage gain upon the completion of training
- Commitment to pay employees a minimum of $17 per hour during and after the training period
- Have had no layoffs within 120 days to relocate to Pennsylvania from another state
- Provide proof of unemployment insurance and workers' compensation
- Be current on all tax obligations and in good financial standing

Trainee Eligibility:

Trainees that participate in Incumbent Worker Training funds must meet the following eligibility criteria:

- Have an established employment history with the employer for six (6) months or more
- Need additional training in order to remain their position, advance in the company, or to avoid a layoff
- Meet the Fair Labor Standards Act requirements for an employer employee relationship

Note on cohorts: 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 as long as a **majority** of those employees who are being trained meet the employment history requirement.

Note on eligibility requirements: additional eligibility requirements for both participants and employers may apply in cases where grant funding outside of WIOA/TANF is utilized.

Application Process:

Businesses, organizations, or training providers interested in Incumbent Worker Training should connect with

Philadelphia Work's Training Initiatives Team. This team will provide a general overview of the Incumbent Worker Training program including eligibility, requirements, funding allowances, contracting, and reimbursement. Interested organizations should be prepared to discuss their goals and projected outcomes with the Training Initiatives team to ensure investment alignment. Please note that applications will be reviewed and awarded on a case-by-case basis.

Once the Training Initiatives team has discussed the training plan, confirmed eligibility, and timeline with the business or training provider, they will work with the organization to complete the application, provide necessary documents, and execute a contract.

Application Considerations:

When determining the eligibility of an IWT application, Philadelphia Works will consider the following factors:

- The strategy, vision and goals established in the Philadelphia Works Local Plan
- The characteristics of the incumbent workers to be trained (i.e., do the individuals represent populations with barriers to employment? How will these individuals benefit from a skills gain? How will training result in retention or advancement?)
- Priority for IWT funding will be given to public assistance recipients, other low-income individuals and individuals who are basic skills deficient
- The quality of the training (i.e., pathway to advancement, industry recognized credentials, etc.)
- The number of participants the employer plans to train or retrain
- The wage and benefit levels of participants both before and after training

Data Tracking and Reporting:

Employers will be required to submit to Philadelphia Works data and information on individuals who receive incumbent worker training, including employment status after training, wages after training, credential attainment, and measurable skill gain. Philadelphia Works may also collect additional employer data such as employer size, industry, and other information to evaluate the effectiveness of incumbent worker programs. The Commonwealth Workforce Development System (CWDS) is the system of record.

Such documentation may include:

- Employer data such as employer size, industry, and other information to evaluate the effectiveness of incumbent worker programs
- Documents for contracting which may include W-9s, Certificate of Insurance, and Certificate of Worker's Compensation
- Verification of trainee tenure
- Trainees Social Security Number and demographics collected for state and federal reporting requirements
- Training Provider information, training plans or curriculums, and connections to career pathways
- Verification of trainee wages/salary before and after training
- Training attendance, credential attainment, and measurable skill gain
- Post-training outcomes (i.e., retention and actual career progression)

Eligible Costs:

Philadelphia Works can reimburse **up to $4,000 per trainee, per role** under Incumbent Worker Training. Employers who receive funds for incumbent worker training or participant in incumbent worker training through a training provider partnership are required to pay for a portion of the training costs - this requirement cannot be waived.

The non-Federal share can include the amount of the wages paid by the employer to a worker while the worker is attending a training program; the employer may provide the share in cash or in-kind. The non-Federal employer share is based on the size of the workforce as follows:

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

The employer size is determined by the number of employees currently employed at the local operation where training will occur. This size is determined by defining each employer based on the Federal Employment Identification Number (FEIN) and the number of employees that the FEIN employs within the city of Philadelphia. Employer size is also determined at the time of the incumbent worker training contract including employers with seasonal or intermittent employee size fluctuations. Employers must provide documentation to exhibit employer size.

Alternatively, the Employer Contribution can be deducted directly from invoices submitted for reimbursement (i.e., only 20% of the total cost of training is reimbursed).

Philadelphia Works will track and document employer cost share contributions. Official payroll documenting the worker's hours and wages must be utilized to determine the amount of the employer's share of cost.

In most circumstances, Philadelphia Works will contract with employers for incumbent worker trainings and will support employers as they identify and contract with training providers, if the employer has not yet identified a provider or will not be providing the training internally. Alternatively, Philadelphia Works can also contract with a training provider who has contracted with an employer or group of employers to conduct training. In instances where Philadelphia Works contracts directly with a training provider the non-Federal employer share is still required.

Ineligible Costs:

- Training that is necessary in order for employers to meet federal "safe workplace" requirements (e.g., OSHA, ServSafe, etc.).
- Wages of incumbent employees during their participation in economic development activities provided through a Statewide workforce investment system;
- Funds provided to employers for incumbent worker training must not be used to directly or indirectly assist, promote or deter union organizing.
- Funds must not be used or proposed to be used for the encouragement or inducement of a business or part of a business to relocate from a location in the United States if the relocation results in any employee losing his or her job at the original location.
- Funds must not be used or proposed to be used for any business or part of a business that has relocated from a location in the United States, until the company has operated at the new location for 120 days, if the relocation has resulted in any employee losing his or her job at the original location.
- Funds may not be utilized for unallowable costs like entertainment, marketing/advertising, or food/beverage.
- A participant in an incumbent worker training will not be employed in or assigned to a job if:
    - Any other individual is no layoff from the same or any substantially equivalent job;
    - The employer has terminated the employment of any regular, unsubsidized employee or otherwise caused an involuntary reduction in its workforce with the intention of filling the vacancy with the participant; or
    - The job is created in a promotional line that infringes in any way on the promotional opportunities of currently employed workers.
- A participant in a program or activity authorized under title I of WIOA must not displace (including a partial displacement, such as a reduction in the hours of non-overtime work, wages, or employment benefits) any currently employed employee (as of the date of the participation).
- Incumbent worker trainings are not intended to impair any existing contracts for services or collective bargaining agreements. When a program or activity authorized under title I of WIOA would be inconsistent with a collective bargaining agreement, the appropriate labor organization and employer must provide written concurrence before the program or activity begins.

Note on Incumbent Worker Training and Apprenticeships

Apprenticeship Programs are eligible to apply for IWT funding. The maximum reimbursement amount for trainees receiving IWT funds while in an apprenticeship program is $8,000. For more information, please refer to Philadelphia Works' Apprenticeship Policy.

Contact

Any questions about this program or process should be directed to the Philadelphia Works Manager of Training and Apprenticeship, Kaila Shannon, at kshannon@philaworks.org.