

## Mid-Maryland WIOA

---

**TO:** Mid-Maryland WIOA Area Staff

**FROM:** Francine Trout, Director, Mid-Maryland WDA

**DATE:** February 12, 2016

**EFFECTIVE DATE:** Immediately

**SUBJECT:** **Incumbent Worker Training Policy**

### **Incumbent Worker Policy**

Incumbent Worker training provides both employees and employers with the opportunity to build and maintain a quality workforce. Incumbent Worker training can be used to help avert potential layoffs of employees, or to increase the skill levels of employees so they can be promoted within the company and create backfill opportunities for the employers (TEGL 3-15).

### **PROGRAM HIGHLIGHTS**

- Mid-Maryland (Carroll and Howard Counties) program to support existing businesses in lay-off aversion, retention and growth of their workforce.
- Creates additional job opportunities through job promotion, improved worker retention and layoff aversion by increasing the skill level of the existing workforce.
- Employer-based training projects targeted for in-demand industries, and industry sectors identified by the Baltimore Metropolitan Council's Opportunity Collaborative (Healthcare, Construction, IT/Cybersecurity, Transportation & Logistics, Business Services and Manufacturing).
- Up to 50% match of approved training cost by eligible business is required.
- Up to 20% of federal Workforce Innovation and Opportunity Act (WIOA) Adult and Dislocated Worker funds may be used for training incumbent workers (contingent on funding availability) following Department of Labor TEGL 3-15, WIOA, Notice of Proposed Rulemaking and Maryland Department of Labor, Licensing and Regulation, and Carroll and Howard County laws, rules and regulations.

## **BUSINESS ELIGIBILITY CRITERIA FOR PARTICIPATION**

- Mid-Maryland companies that operate under the provision of Maryland law with a permanent Mid-Maryland location. Business must comply with the requirements of Fair Labor Standards Act (FLSA) or the state minimum wage law; whichever is greater.
- Private sector businesses with a minimum of five employees and a physical work location outside of a personal residence.
- Training is allowable for full time (32 hours a week or more), benefited employees only.
- Priority is given to businesses with 50 employees or less in the following in-demand industries; Healthcare, Construction, IT/Cybersecurity, Transportation & Logistics, Business Services and Manufacturing.
- Business must not have laid-off employees within the past 120 days prior to the proposed start of the training project.
- Business must attest, in writing that is not on the federal debarred list and is a business in good standing with the State of Maryland, Howard and Carroll counties.

## **TRAINING PARTICIPANT ELIGIBILITY**

- The participant has an established employment history with the employer for six months or more and
  - Receives a W-2 as opposed to at 1099, is not a contractor or vendor for the business and is a regular employee, not a temporary worker.
  - The business pays unemployment insurance and workers' compensation premiums on the individual's behalf.
  - The work performed is considered to be integral to the business.

NOTE: an incumbent worker need not meet WIOA Adult and Dislocated Worker eligibility requirements, however they must provide sufficient documentation of age, citizenship, Social Security Number and Selective Service status (for males born after January 1, 1960) in order to enroll the individual into the Maryland Workforce Exchange.

## **TRAINING REQUIREMENTS**

- Training must be designed to increase the occupational skills level of existing employees and result in a promotion within the company and create job openings for new hires; or
  - Averts layoffs by increasing skill levels of employees leading company to become more competitive.
- AND
- Result in the employee's acquisition of an industry recognized certification or credential.
  - The proposed training project and outcomes must be provided for approval prior to training.
  - Training must be aligned with the company's strategic goals and objectives.

- Needs and costs must be reasonable and clearly related to the project as described in the training plan and not offered on-line.
- Mid-Maryland may reimburse up to \$2,500 per person for training that leads to a recognized credential. Training per person maximum is limited to a three-year period.
- Maximum per company is \$25,000 per fiscal year contingent upon funding availability. Exceptions may be made on a case-by-case basis.

## **RESTRICTIONS ON FUNDS**

The U.S. Department of Labor has placed the following restrictions on incumbent worker funds:

- Businesses who participate in an incumbent worker training project must agree to comply with the requirements of the Fair Labor Standards Act (FLSA), including maintaining the employment and compensation of participants for the duration of the project, unless the maintenance of employment or compensation would be inconsistent with similarly situated employees who are not participating in the project.
- Incumbent worker training cannot consist of On-the-Job Training (OJT). Incumbent worker training cannot be used to pay for participant's wages.
- A participant in an incumbent worker training project may not displace a current employee as of the date of project participation. Displacement is a reduction in hours, wages, or benefits, either in whole or in part.
- An incumbent worker training project cannot impact an existing contract for services or collective bargaining agreement (CBA). If the terms of a training project are inconsistent with a CBA, the labor organization must agree, in writing, to allow the project.
- A participant in a training project shall not be funded for training if:
  - Any other individual is on layoff from the same or equivalent job in the same unit or department;
  - The business has terminated the employment of any regular employee or otherwise reduced their workforce with the intention of filling the resulting vacancy with the participant.
- Businesses participating in a training project must maintain the same health and safety standards, and working conditions for participants as the business does for non-participants.
- Funds may not be used to entice a business to relocate to Mid-Maryland. Incumbent worker funds are intended to assist existing Mid-Maryland businesses. A business must be established in Mid-Maryland for a minimum of 120 days prior to beginning an incumbent worker training project.
- Incumbent worker participants will complete a WIOA application that will be entered into the Maryland Workforce Exchange.

## MID-MARYLAND INCUMBENT WORKER AWARD PROCESS

- Project applications must be submitted and approved by the Mid-MD review team **prior** to the start of training.
- No reimbursement of training funds will be granted without prior application, approval and authorization.
- Mid-MD staff is responsible for executing contracts with successful applicants and oversight of the training projects.
- Businesses take necessary steps to provide for the training of incumbent workers in specific skills that result in the employee obtaining an industry recognized certification or credential.
- The business must explain how the training will support lay-off aversion or retention and growth of their workforce.
- All training recipients must complete a WIOA Maryland Workforce Exchange application.
- Payment is by reimbursement only after submittal to Mid-MD team of proof of training attendance, successful completion of training and credential received.

Adopted by the Mid-Maryland Workforce Development Board \_\_\_\_\_

\*\*Veterans and eligible spouses will be given priority of service in time and funding.

Equal Opportunity Employer Program: As an equal opportunity employer/program; discrimination in WIA Title I financially assisted programs or activities is prohibited by federal law and Howard County Government; auxiliary aids and services are available upon request to individuals with disabilities. If you need an accommodation, please contact Stephanie Hill at 410-290-2620, TTY 410-312-0827.