



## **Incumbent Worker Training (IWT) Program Guidelines**

**Incumbent Worker Training (IWT)** provides both workers and employers with the opportunity to build and maintain a quality workforce. The Central Minnesota Jobs and Training Services, Inc. (CMJTS) IWT is a business-driven program designed to meet the needs of an employer or group of employers to retain a skilled workforce or avert layoffs. These are two distinct, though not mutually-exclusive goals, and may result in different IWT strategies and the types of employees selected for training. In both instances, there is an expectation that the incumbent worker will be promoted or retained by the company after they receive training. Ideally, this would also create additional back-fill opportunities for other workers. IWT can be used to:

- 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.

The program is intended to offset a portion, via reimbursement, of the business's cost to train and upgrade the skills of its incumbent workers. Eligible businesses must demonstrate that by receiving funding assistance through the program, their business will not only improve the skills of their workers, but also improve their business processes and competitiveness and decrease the risk of permanent layoffs. If the initial outlay of training cost will cause financial hardship, please connect with CMJTS staff for possible accommodations.

### **What Is an Incumbent Worker?**

An incumbent worker is a person who is currently employed and could benefit themselves and their employer by upgrading their skills through training. The training should give the employee the opportunity for advancement and wage gains within their company.

### **Who Is an Eligible Employee for Incumbent Worker Training?**

An eligible employee is one who is directly employed by the company at a facility located within Minnesota and meets these requirements:

- Employee must be at least 18 years of age.
- Employee must work at least 32 hours per week.\*
- Employee must have an established employment history with the employer for six months or more (which may include time spent as a temporary or contract worker performing work for the employer receiving IWT funds).\*\*
- Employee must be committed to attending all trainings.
- Employee must earn an hourly wage above the state minimum wage.
- Employee must agree to cooperate with data collection requirements.

\*IWT can also be used for underemployed workers, as long as the use of IWT focuses on increasing skills for underemployed frontline workers in an effort to advance these workers to more skilled positions with the same employer.

\*\*There is an exception to the six-month requirement: In the event an IWT is being provided by 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 (at least 51%) of those employees being trained meet the employment history requirement.

### **Who Is an Eligible Business for Incumbent Worker Training?**

Financially viable, private sector employers and certain nonprofit and local government entities (e.g., a nonprofit or county hospital) are eligible to receive IWT funds. The business or businesses must have been in operation for 18 months, not currently or recently experiencing bankruptcy, be current on all local, state, and federal tax obligations, and not appear on any federal suspensions or debarment lists. An eligible business must be located in Minnesota and registered with the Minnesota Secretary of State Office. Businesses are encouraged to provide training to a group of employees and not individual training, although the number of employees in the company will be taken into consideration.

Companies that are in the process of a layoff or have had a layoff in the last six months are not eligible for the IWT. If a layoff occurs in a company while they have an open IWT grant, the current workers will be able to complete the training. A group of employers who need the same training for their workers may submit a joint application.

IWT funds are limited and are therefore awarded in a competitive bid process. The maximum award per grant, per year, is \$25,000 and the initial training agreement duration may not exceed 12 months. **The maximum award may be adjusted based upon funding availability, each program year.**

Only one application per business (based on FEIN#) may be accepted per program year (July 1–June 30). If a business has multiple sites, those sites must work together to submit one application. An application may include multiple sets of employees and multiple training courses. **Special consideration will be given to extenuating circumstances.\***

\*Businesses administering a current Minnesota Jobs Skills Partnership (MJSP) award, or similar grant, may not be eligible to receive CMJTS IWT funds. Businesses must describe the grant funds being used, identify the source of funding, and explain the need for additional grant funds.

### **What Is the Employer's Responsibility?**

The business (or small group of employers) must complete an IWT application to be considered for a grant. Businesses will be required to provide a portion of the training costs dependent upon the size of the business and number of employees (e.g., instructors' wages, curriculum development, and training manuals/textbooks) either through direct cost contribution or in-kind contribution.

- 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 business must disclose in-kind contributions. Examples of in-kind contributions, **in addition to any direct costs**, may include expenses associated with the use of space and equipment during the training project and trainee wages (including benefits) of employees during the training. Employer will collect and supply all trainee documentation (e.g., trainee application, proof of SSN, proof of citizenship/right to work, and proof of physical address, etc.) to CMJTS.

The business will 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, the business will submit monthly reimbursement requests, with required support documentation, to CMJTS.

All IWT grants are subject to federal Workforce Innovation and Opportunity Act (WIOA) and State Dislocated Worker Program reporting requirements and performance standards. All training sessions must have signed attendance sheets or digital confirmation of attendance. Trainee participation is required. **The business must submit to CMJTS 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.**

### **Use of Funds**

Allowable costs for incumbent worker training include (but are not limited to):

- Instructors/trainers salaries
- Curriculum development
- Textbooks and manuals
- Materials and supplies
- Tuition expenses
- Off-site training space (e.g., classroom rental)

Non-reimbursable costs include (but are not limited to):

- Administrative costs
- Trainee's wages
- Purchases of capital equipment or capital improvement
- Purchases of items or services that will be used primarily outside of the incumbent worker training
- Travel expenses for trainers or trainees
- Assessment, testing, or certification fees
- Advertisement or recruitment

### **What is CMJTS' Responsibility?**

CMJTS will review the proposal from the individual employer(s) and notify the employer(s) of the award.

Once a grant is awarded, CMJTS staff will track all participants using the Workforce One database and follow all required state and federal statutes. CMJTS is responsible for collecting attendance sheets of training and certificates of completion/credential. CMJTS will assign its staff to provide follow-up services with the business to ensure the training plan is being fulfilled. CMJTS staff will enroll each incumbent worker in Workforce One, the state's data tracking system, and meet the MN Department of Employment and Economic Development's case management requirements.

### **Who Can Provide Training and What Activities Are Included?**

Public or private educational institutions, trade associations, community-based organizations, economic development agencies, unions, or government agencies may provide IWT, and training can be conducted at the business's own facility, at the training provider's facility, or at a combination of sites.

Training must be skills-based and result in improved productivity, efficiency, and an increase in the employee's existing wages.

Training opportunities should expand and improve an employee's workforce skills and provide employees with opportunities for advancement and wage gains within their company or be used to avert layoffs. The business (or the employee with the employer's approval) will select the training provider. It may be public or private.

All proposals must show an end date that completes training within 12 months of award date. All training should have specific start and end dates.

IWT may include industry- or business-specific skills, technical and computer skills, and/or "soft skills," such as leadership and management training. CMJTS strongly encourages training programs to be accredited by the American National Standards Institute (ANSI), which can be found on the Career One-Stop website: (<http://www.careeronestop.org/credentials/toolkit/find-certifications-help.aspx>.) The ANSI provides information about a variety of different types of certifications, including, but not limited to, Career and Technical Education, Industry-Endorsed, Job Corps Training, Military Occupational Specialties, and the National Commission for Certifying Agencies (NCAA).

Types of training not allowed include: (this is not a definitive list):

- Self-paced learning
- Personal development courses
- Non-skill related assessments
- Mandated safety training (such as OSHA)
- English as a second language
- Basic skills or remedial education
- Non-job related training

The information below is intended to serve as a general guideline to help you, the business, determine if you should complete a grant application on behalf of the business. Meeting the following conditions does not guarantee eligibility or a grant award.

### **Business Eligibility**

The business must meet all the following conditions to apply for IWT Program funds:

- The business requesting IWT funding must have a location in Minnesota (funds must be used in Minnesota only).
- The business is registered with the Minnesota Secretary of State's office as a(n):
  - Association
  - Corporation
  - LLC
  - Partnership
  - Nonprofit
  - Sole proprietor
  - Government entities, including local, county, state, and school districts

The business must be in continuous operation for 12 months immediately prior to the application submittal.

- The business is not in the process of a layoff of current employees and has not experienced a layoff in the last six months.
- The business is not administering a current Minnesota Jobs Skills Partnership (MJSP) award or similar grant.

#### **OR**

- The business has disclosed administration of a current Minnesota Jobs Skills Partnership (MJSP) award, or similar grant, and has justified the need for additional funds.
- Preference will be given to businesses that fall into priority, sector-based occupations, including manufacturing, healthcare, transportation, IT, natural resources, and professional business services.
- Preference will be given to businesses that provide wage and/or benefit level increases upon completion of the training, and the existence of other training and advancement opportunities provided by the employer.

### **Project Eligibility**

The training project must meet all of the following conditions to be eligible for funding:

- The business has discussed the project with CMJTS staff and can demonstrate that its training needs cannot be met without assistance from the IWT.
- The training is in an eligible topic area (refer to policy).
- The business will match a portion of the training costs with cash and/or in-kind contributions dependent upon the size of the business and the number of employees it has.
- Training will begin within six months of grant award and be completed within one year of grant award date.

**Flexibility for business eligibility will be considered for projects funded with non-WIOA funds.**

Upon request, this material can be made available in an alternate format.