



Employer Reskill/Upskill Fund Policy

POLICY NUMBER: P-1001, Rev. 3

REVISION DATE: December 22, 2021

Supersedes: Incumbent Worker Training Policy, revised April 9, 2021

PURPOSE

The purpose of this policy is to communicate employer and employee eligibility for WorkForce Central's Employer Reskill/Upskill Fund financed with Workforce Innovation and Opportunity Act (WIOA) Title I funds or statewide Rapid Response funds, and the employer cost sharing requirements for the Employer Reskill-Upskill Fund.

This policy was revised to:

- Change the name of this policy to "Employer Reskill/Upskill Fund" (referred to as "incumbent worker training" under WIOA).
- Describe the employer application process for the Employer Reskill/Upskill Fund.
- Update employer eligibility for the Employer Reskill/Upskill Fund.
- Describe WorkForce Central's selection process for awarding Employer Reskill/Upskill funds.
- Define WorkForce Central's documentation and reporting requirements for this program.

BACKGROUND

WorkForce Central's WIOA Title I financed Employer Reskill/Upskill Fund (i.e., incumbent worker training) is described in [WIOA Sec. 680.790](#) and is designed to increase the competitiveness¹ of employees and employers or avert employee layoffs². It is designed to meet the special requirements of an employer (including a group of employers) to retain a skilled workforce or avert the need to lay off employees by assisting the workers in obtaining the skills necessary to retain employment. Employer Reskill/Upskill training is conducted with a commitment by the employer to retain or avert the layoff of the employees being trained.

WorkForce Central may reserve and expend up to 20% of its combined WIOA Title I Adult and Dislocated

¹ WorkForce Central defines "increase competitiveness" to mean:

- Training will result in an employee promotion or wage increase
- Training will negate the need to layoff an employee
- Training may increase efficiency, production, or other improvements that increase the company's profits
- Increased proficiency may open additional hiring opportunities
- Training will improve the company's competitiveness in their industry

² Layoff Aversion – A layoff is averted when: 1) a worker's job is saved with an existing employer that is at risk of downsizing or closing; or 2) a worker at risk of dislocation transitions to a different job with the same employer or a new job with a different employer and experiences no time or a minimal time on unemployment.

Individuals may need assistance to maintain or retain a good job by enhancing their skills or learning new technologies and procedures in an ever-changing economic environment. Without appropriate training that allows existing workers to gain the necessary skills to operate new processes or technologies, employers may find it necessary to lay off workers with obsolete skills

Worker formula funds for the Employer Reskill/Upskill Fund. WorkForce Central may also use WIOA Title I statewide activity funds on Employer Reskill/Upskill training if those funds have been provided by the Governor for that purpose.

WorkForce Central may use state Rapid Response funds provided by the State for Employer Reskill/Upskill training to avert layoffs.

POLICY

A. Employer Application Process

WorkForce Central is committed to ensuring fair and equitable access to its Employer Reskill/Upskill fund. Employer applications are posted on [WorkForce Central's website](#). Applications will be reviewed 30 calendar days after submission. Applications meeting the minimum criteria set forth in this policy may be considered for Employer Reskill/Upskill funding. Applicants may be invited for an oral interview for further discussion. WorkForce Central will notify applicants of their application award status via email within 30 calendar days of their application submission.

WorkForce Central reserves the right to deny or reject applications without explanation.

B. Employer Eligibility Criteria

The employer will be evaluated against the following WIOA Title I and Washington State Employment Security Department (ESD) established criteria to determine the appropriateness and allowability for WIOA Title I funded Employer Reskill/Upskill training:

1. The business, or department or affiliate of the business that would benefit from reskilling or upskilling their employees is located in Pierce County.
2. The extent to which the business employs individuals who are furthest from opportunity and who encounter systemic barriers to employment such as those defined in [WIOA sec. 3\(24\)](#), and how they would benefit from retention or advancement.
3. The quality of the training (e.g., industry-recognized credentials, advancement opportunities).
4. The number of employees the business plans to train or retrain.
5. Employee wages before and after training.
6. The employer:
 - a. Is in an in-demand industry³ as defined by WIOA Sec. 3(23) as determined by local and ESD labor market information; or
 - b. Is in an in-balance industry as determined by local and ESD labor market information; or
 - c. Is in a declining industry, but presents compelling reasons (e.g., evidence of long-term viability of the employer) justifying investment in incumbent worker training.
 - d. Must not have laid off workers within 120 days to relocate to Washington from another state.

³ In-Demand Industry Sector or Occupation – In general, (i) 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 (ii) 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. The determination of whether an industry sector or occupation is in-demand shall be made by the state board or local board, as appropriate, using state and regional business and labor market projections, including the use of labor market information.

- e. Must be current in unemployment insurance and worker's compensation taxes, penalties, and/or interest or related payment plan.

WorkForce Central must document the factors that were considered in approving an Employer Reskill/Upskill training project with an employer.

C. Employee Eligibility

The awarded business must submit evidence the employee(s) selected to receive training meet the following criteria:

1. Are employed,
2. Meet the Fair Labor Standards Act requirements for an employer-employee relationship; and
3. Have an established employment history with the employer for six (6) months or more.
 - a. If incumbent worker training is provided to a cohort of employees, not every employee in the cohort must have an established employment history with the employer for six (6) months or more as long as a majority (51% or more) of the employees being trained meet the employment history requirement.

Employees do not have to meet WIOA Title I Adult or Dislocated Worker program eligibility to participate in their employer's Employer Reskill/Upskill training. Individuals receiving WIOA Title I-funded Employer Reskill/Upskill training are not eligible to receive WIOA Title I-funded supportive services unless the individual is enrolled in the WIOA Title I Adult or Dislocated Worker programs. WorkForce Central is not authorized to waive any of the above employee eligibility criteria.

D. Employer Share of Employer Reskill/Upskill Fund Costs

Employers participating in WorkForce Central's Employer Reskill/Upskill Fund are required to pay the non-WIOA (non-federal) share of the cost of providing training to their employees. The employer share is based on the size of the workforce (wages paid to the employee 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) as follows:

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

Examples:

- ABC company has two locations in our workforce development area. Location 1 has 35 employees and Location 2 has 25 employees, with a combined total of 60 employees. ABC company would pay at least 25 percent of the cost of the training (based on the chart above), regardless of how many of those employees need IWT. Conversely, if that same company had a total of 35 employees and only one location, the company would pay at least 10 percent of the cost of the training.
- ABC company has two locations in our workforce development area. Location 1 has 50 employees and Location 2 has 55 employees for a total of 105 employees. Only employees at Location 2 need IWT. The employer's cost is at least 25 percent of the cost, not 50 percent.
- Type(s) of training and number of training providers are also factors to consider. ABC company needs the same IWT for 35 employees in Location 1 and 25 employees in Location 2. You may find that two different training providers are needed, in which case the employer's cost would be at least 10 percent of the cost for each location.

Note on employee wages: WIOA Title I funds cannot pay the wages of employees participating in Employer Reskill/Upskill training. However, as noted above, the employer may elect to include those wages in the employer's share (contribution) of the cost of providing training. On the other hand, if the business utilizes one or more of its own employees to facilitate Employer Reskill/Upskill training to other employees of the company, the wages paid to the employees conducting the training may be included in the cost of the training and paid for with WIOA Title I Employer Reskill/Upskill funds.

WorkForce Central must track and document employer share contributions.

E. Training

The training provided through the Employer Reskill/Upskill Fund must be above and beyond the normal training offered by businesses to their employees and reasonably prepare workers to address identified skill gaps. WIOA Title I funds cannot supplant private funds in these situations.

WorkForce Central Procured Training

When contracting directly with training providers for Employer Reskill/Upskill training on behalf of employers, WorkForce Central must ensure the terms of the procurement are allowable, consistent, and at a reasonable cost, and procured consistent with WorkForce Central's Procurement Policy.

Employer Secured Training

An employer may choose to provide Employer Reskill/Upskill training through community and technical colleges, vocational-technical centers, state colleges and universities, licensed and certified private entities/institutions, industry specific consulting or training organizations, professional associations or credentialing entities, or the business itself through in-house employees facilitating the training.

- **In-house Training:** When in-house training is provided by an employee of the business, the reimbursement amount is based on the employer share calculation. For example, the employer purchases new machinery, but now must train staff on its use. One employee has been trained to use it and has the capacity and skill to train others. The wages for that employee during the time they are providing training would be included in the cost of training, and therefore, part of the cost share calculation. The employer must provide evidence of the employee's time facilitating training.
- **Employer Secured Training:** When the training provider is secured by the employer, WorkForce Central procurement is not required. WorkForce Central enters into contract with the employer to reimburse for the WIOA Title I federal share cost of the training. The contract with the employer must document, at a minimum:
 - The training being provided.
 - That the cost is reasonable for what is being provided.
 - The approximate dollar amounts, both paid by the employer and paid by WorkForce Central for the federal share.

F. Selection Committee

WorkForce Central will establish a selection committee who will evaluate applications for the Employer Reskill/Upskill Fund based on the criteria outlined in this policy and posted to [WorkForce Central's website](#). WorkForce Central must ensure the following are documented and made available upon request by authorized entities:

- Conflict of Interest (COI) Statements for evaluation committee members.

- Evaluation sheets that show justification for the selection of the Employer Reskill/Upskill Fund award.

G. Documentation Requirements

WorkForce Central must document the factors that were considered in approving an Employer Reskill/Upskill Fund project with an employer. WorkForce Central must collect and document the following:

- Employer eligibility.
- Employee eligibility criteria including evidence employees, or majority (51% or more of the cohort) were employed six (6) months or longer.
- Criteria by which an employer was selected.
- Selection Committee Conflict of Interest (COI) Statements.
- The entity or individual who conducted the training.
- If an in-house employee conducted the training, evidence of staff time conducting the training.
- Employer match.
- Assurance the training is not funded from another federal funding source.

H. Reporting Requirements

Employees receiving training through the Employer Reskill/Upskill Fund are not required to meet WIOA Title I Adult or Dislocated Worker program eligibility requirements and are not included in WIOA performance indicator calculations for Department of Labor and Washington State performance outcomes (unless they are enrolled in a WIOA Title I Adult or Dislocated Worker program). However, WorkForce Central must report certain data elements on employees receiving training through their employer's Employer Reskill/Upskill Fund. See [Attachment A](#) for reporting instructions.

REFERENCES

- WIOA sec. 3(23) and 3(24)
- WIOA sec. 134(d)(4)
- WIOA sec. 181(b)(1)
- 20 CFR 680.780; .790; .800; .810; .820;
- 20 CFR 682.210(b), 682.320(a), (b)(4), 683.250(a)
- 2 CFR 200.320
- TEGL 10-16, Change 1
- TEGL 19-16
- ESD WIOA Policy 5607, Rev. 5 – Incumbent Worker Training

ATTACHMENTS

- [Attachment A – Incumbent Worker Training Data Entry](#)

APPROVED



[Katie Condit \(Dec 22, 2021 14:02 PST\)](#) Dec 22, 2021
Katie Condit, WFC CEO Date

EQUAL OPPORTUNITY - EQUAL ACCESS

WorkForce Central is an equal opportunity employer/program.

Auxiliary aids and services are available upon request for individuals with disabilities. Washington Relay Service – 711.

ATTACHMENT A

Employer Reskill/Upskill (Incumbent Worker) Training Data Entry Instructions

The WA State Employment Security Department (ESD) is developing a permanent solution in the State's Management Information System, commonly referred to as "ETO", to replace the following Employer Reskill/Upskill (incumbent worker) training data entry "work-around" and a revision to this policy will be issued to communicate that solution when it becomes available. Until such time as that solution is implemented, please use the process described below.

Employees receiving Employer Reskill/Upskill (incumbent worker) training who are served through WIOA Title I (i.e., Adult Formula, Dislocated Worker Formula, National Dislocated Worker Grant, Governor's 15% Discretionary, Statewide Rapid Response) grant funds must be affiliated with an employer, training start date, and fund source in order to satisfy requirements of the U.S. Department of Labor's WIOA-affiliated Participant Individual Record Layout (PIRL).

To meet this requirement, staff are instructed to record the following in ETO:

1. Select the WIOA Eligibility Application Touchpoint.
 - a. In the drop-down box, select Full WIOA Eligibility.
 - b. Check the Dislocated Worker box option.
 - c. Under the tabs select the "Employment" tab
 - d. Under the "Applicant May Be Eligible for" statement, select the Dislocated Worker box then "None of the above" radio button under Dislocated Worker Status.
 - e. Record the training start date in the Date of Actual Dislocation field and the employer's name in the Employer of Dislocation Address field on the Employment tab.
2. Select the Program Enrollment Touchpoint
 - a. Enroll the participant in the program that reflects the funding source. For example, if the funding source is WIOA Adult, select that program rather than WIOA Dislocated Worker
3. Select the Individualized, Training and Supportive Service (ITSS) Touchpoint.
 - a. Enter the Activity Start Date,
 - b. Projected Activity Start Date, and
 - c. Projected Activity End Date.
 - d. Then select the Incumbent Worker Training service from Service Provided drop down menu.
 - e. Select the Active Program Enrollment to associate the service with the active program and save the touchpoint.
 - f. When training is completed, edit the same touchpoint and enter the Activity End Date and Actual Outcome.

Important Note: If multiple funding sources are used for the training, a separate Program Enrollment Touchpoint and ITSS Incumbent Worker Training service are needed for each program funding the training. A new WIOA Eligibility Application is not needed. Each Program Enrollment Touchpoint taken will utilize the same WIOA eligibility application.