
Employer Reskill/Upskill Fund Policy

POLICY NUMBER: P-1001, Rev. 4

REVISION DATE: August 25, 2023

Supersedes: Employer Reskill/Upskill Fund Policy released December 22, 2021

PURPOSE

This policy describes WorkForce Central's Employer Reskill/Upskill Fund (i.e., incumbent worker training).

This policy was revised to:

- Expand funding of WorkForce Central's Employer Reskill/Upskill Fund beyond Title I of the Workforce Innovation Act (WIOA).
- Update state MIS data entry requirements for WIOA Title I funded Employer Reskill/Upskill Funded training services.

BACKGROUND

WorkForce Central's Employer Reskill/Upskill Fund 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 utilize a variety of funds to support the ERUF program. If WIOA Title I funded, WorkForce Central may reserve and expend up to 20% of its combined WIOA Title I Adult and Dislocated Worker formula funds for Employer Reskill/Upskill training. WorkForce Central may also use WIOA Title I statewide activities funds on Employer Reskill/Upskill training if those funds have been provided by the Governor for that purpose.

POLICY

¹ WorkForce Central defines "increase competitiveness" to mean:

- Training will result in an employee promotion or wage increase.
- Training will negate the need to lay off 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.

A. Employer Application Process

WorkForce Central is committed to ensuring fair and equitable access to its Employer Reskill/Upskill Fund. Applications will be reviewed within 30 days of 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 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 criteria to determine the appropriateness and allowability for Employer Reskill/Upskill training:

1. The business, or department or affiliate of the business that would benefit from reskilling or upskilling their employees, must be 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 proposed training (e.g., industry-recognized credentials, advancement opportunities).
4. The number of employees the employer plans to train or retrain.
5. The wage and benefit levels of employees before and after training.
6. The employer:
 - a. Is in an in-demand industry as determined by local and Washington State Employment Security Department (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.
 - 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 when selecting or declining an Employer Reskill/Upskill training project with an employer.

C. Employee Eligibility

The awarded business must submit evidence their employee(s) meets 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 Employer Reskill/Upskill 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.

WIOA Title I funded ERUF training only: Employees do not have to meet WIOA Title I Adult or Dislocated Worker program eligibility to participate in their employer sponsored 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-federal or other funded share of the cost of providing training to their employees. Wages paid to the employee while in training can be included as part of that share and the employer share can be provided as cash or in-kind that is fairly evaluated. The employer share is based on the size of the workforce, 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 Employer Reskill/Upskill Funded training. 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 Employer Reskill/Upskill Funded training. 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 Employer Reskill/Upskill Funded training 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 or other funds cannot pay for the wages of employees receiving 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. Whereas, if the business utilizes one or more of its own employees to provide 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 or other funds.

WorkForce Central must track and document employer share contributions.

E. Training

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 skill gaps. WIOA Title I or other funds provided by WorkForce Central must not 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 procurement procedures are allowable, consistent, and at a reasonable cost, and 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, but calculations indicate it will be costly to devote that employee to the task because they would not be able to perform their own job while training staff. That employee's wages when providing the 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 or other shared 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 paid by the employer and 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. WorkForce Central must ensure the following are documented and made available upon request by authorized entities:

- Conflict of Interest (COI) Statements for selection committee members.
- Evaluation sheets that show justification for the selection of the Employer Reskill/Upskill Fund award.

G. Documentation Requirements

WorkForce Central must collect and document the following:

- Factors WorkForce Central considered in selecting or declining an Employer Reskill/Upskill fund project with an employer.
- Employer eligibility.
- Employee eligibility including evidence the employees, or majority of employees (51% or more of the cohort) were employed six (6) months or longer.

- Selection Committee Conflict of Interest (COI) Statements.
- The entity or individual who conducted the training.
- If 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

WIOA Title I funded Employer Reskill/Upskill training only: Employees receiving WIOA Title I funded 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 state 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 project. See [Attachment A](#) for WIOA Title I reporting instructions.


REFERENCES

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

ATTACHMENTS

- [Attachment A – WIOA Title I Employer Reskill/Upskill Fund ETO Data Entry Instructions](#)

APPROVED


[Katie Condit \(Aug 25, 2023 09:45 PDT\)](#)
 Katie Condit, WorkForce Central 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