

**Alaska Department of Labor and Workforce
Development**

**Division of Employment and Training Services
Incumbent Worker Training Guide**



Equal opportunity employer/program.
Auxiliary aids and services are available upon request to individuals with disabilities.

Table of Contents

Program Overview	3
Available Funding.....	4
Funding Priorities	4
Training Services.....	4
Training may be delivered in-person or online and types of training include:.....	4
Types of training that CANNOT be funded include:.....	4
Employer Share of Training Costs/Contribution	5
Eligibility Requirements.....	5
Project Considerations.....	6
Application Process.....	8
Grant Restriction	8
Project Budget	9
Single Audit.....	9
Application Review	9
Notification of Approval or Denial	10
Appeal Process.....	10
Grant Agreement.....	10
Monitor Requirements.....	10
Reporting Requirements.....	10
Reimbursement Requests	11
Amendment Request.....	11
References	12
• Incumbent Worker Training (IWT), TEGL 19-16 (13).....	12

Program Overview

The Incumbent Worker Training (IWT) Program is funded by the Workforce Innovation and Opportunity Act (WIOA) and administered by Department of Labor and Workforce Development, Division of Employment and Training Services, (DETS), Incumbent Worker Training staff.

The program is designed to increase the competitiveness of the business and incumbent workers by ensuring they acquire the skills necessary to retain employment, advance within the business or to provide the worker skills necessary to avert a layoff. The training is conducted with a commitment by the employer to retain the incumbent workers who received the training.

Incumbent workers are employed at the time of their participation and the public funds are reimbursed to the employer for the costs of the training provided. The training must increase both an employee's and the company's competitiveness.

An ideal incumbent worker training would be one where an employee acquires new skills allowing him or her to move into a higher skilled and higher paid job within the company, thus allowing the company to hire a job seeker to backfill the incumbent worker's position.

Incumbent worker training may also be an appropriate service that would help an individual move up the career ladder within an apprenticeship program. This in turn allows businesses to remain competitive, become more productive and increase job opportunities for local residents.

DETS promotes the creation of new USDOL Nationally Recognized Apprenticeship programs. Employers may be eligible to utilize incumbent worker training for apprenticeship programs that are within the first five years of sponsorship.

The benefits of incumbent worker training include:

For Employers	For Employees
<ul style="list-style-type: none">• Increased Competitiveness	<ul style="list-style-type: none">• Advancement Opportunities
<ul style="list-style-type: none">• Skilled Workforce	<ul style="list-style-type: none">• Increased Job Competitiveness
<ul style="list-style-type: none">• Increased Productivity	<ul style="list-style-type: none">• Industry Recognized Credentials
<ul style="list-style-type: none">• Increased Profits	<ul style="list-style-type: none">• Job Retention
<ul style="list-style-type: none">• Company Growth	<ul style="list-style-type: none">• Transportable/Transferrable Skills
<ul style="list-style-type: none">• Reduced Turnover	<ul style="list-style-type: none">• Increase in wages

Available Funding

The amount of incumbent worker training funding fluctuates each year and is contingent upon availability and receipt of federal funds. Applications are reviewed on a first come/first-served basis until all available funding has been awarded. If a business has more than one location in Alaska, they are considered one business if they share the same FEIN number. If each location has a different FEIN number, they are considered separate businesses and are required to submit separate applications for funding.

Funding Priorities

Requests for funding will be prioritized and the following are considered higher priority:

- Size of the business - smaller businesses with less than 50 employees;
- Location of the business – businesses located in rural areas or distressed areas as identified by the American Community Survey;
- Targeted industry – training for occupations in targeted industries as defined by the Alaska Workforce Investment Board;
- Quality of the training – training that leads to a significant upgrade in employee skills; and
- Layoff aversion – training provided to increase employee skills as a layoff avoidance strategy.

Training Services

One of the great features of incumbent worker training is that it provides flexibility regarding the types of training and the training provider based upon the employer's overall workforce development needs. The training may be provided by public or private educational institution, a private training company or private instructor, a company employee, or a combination of training providers; and provided at the company's facility, at the training provider's facility, or a combination of locations.

The employer may select an external training provider that best suits their training needs.

Incumbent worker training is exempt from the WIOA eligibility requirements of section 122(a)-(f) that requires training providers to be listed on the State's Eligible Training Providers List.

Training may be delivered in-person or online and types of training include:

- occupational skills training designed to meet the special requirements of a business or industry;
- upgrading of required certifications;
- professional development (e.g., leadership training);
- training in strategies to improve efficiency of business operations; and
- technical/hard skills training such as computer software training.

Types of training that CANNOT be funded include:

- CPR and First Aid;

- mandated safety training (OSHA and other);
- new hire orientation;
- diversity and sexual harassment;
- English as a second language;
- degree programs;
- self-paced learning;
- basic skills or remedial education;
- personal development courses;
- workplace literacy or soft skills; and
- non-job-related training.

Employer Share of Training Costs/Contribution

Employers must provide a contribution to the incumbent worker training program depending on the size of their business. This contribution can include wages paid to their employees during the time they are in training, as well as other in-kind contributions. Contributions must be made for each incumbent worker. Employer contribution rates are:

- 50 or fewer employees = 10 percent
- 51-99 employees = 25 percent
- 100 or more employees = 50 percent

Employer cost share contributions and methodology used to determine the value of in-kind contributions must be tracked and documented as part of the grant award. Additionally, cost sharing requirements referenced in [2 CFR 200.306](#) must be documented.

Employers are required to pay all costs for training and associated support up front and submit receipts and/or other verifications of money spent or in-kind contributions in order to be reimbursed the portion the grant covers. Incumbent workers should not bear any expense of training or associated support of training.

Eligibility Requirements

Employer

Eligible employers include for-profit, non-profit, and public sector businesses who have been in operation for at least one year prior to the application date. The business cannot be a temporary employment agency, employee leasing firm or staffing agency, casino or other gambling establishment, aquarium, zoo, golf course, or swimming pool.

The business must have at least one full-time employee who is an Alaskan resident and receives a W-2 tax form. For a sole proprietor where the business owner is the only employee, the sole-proprietor may NOT be considered the full-time employee.

Employers must ensure the employee is being paid at least the greater of 50 percent of the mean

(average) wage for the occupation in the region as determined by data from the Department's Research and Analysis website <https://live.laborstats.alaska.gov/wage/index.html> **OR** a minimum of \$15 per hour. If the employee wage does not meet this threshold, the employer may choose to raise it to that level and would then be eligible to qualify for incumbent worker training funds.

Employee

Employees chosen to participate in the incumbent worker training must meet the following criteria:

1. a U.S. citizen or otherwise legally entitled to work in the U.S.;
2. age 18 or older;
3. registered with Selective Service if male and born on or after January 1, 1960, unless an exception is justified;
4. not be directly supervised by an immediate family member¹;
5. have an established employment history with the business for six (6) months or more²;
6. be in an employer-employee relationship as defined by the [Fair Standards Act](#); and
7. be an Alaskan resident working at a physical location in Alaska.

Consortium

A group of employers being represented by a singular entity shall be called a consortium. The consortium may be a training provider, educational institution, or an industry association. Unions are not considered as a consortium as a union is defined as an association formed by individuals (not employers) with a common interest or purpose. The consortium must:

- serve employees of at least two (2) different businesses in the same industry sector;
- be a non-business entity that can apply on behalf of the businesses as the administrative entity (can also be the training provider); and
- provide training descriptions and outcomes for the employees from each business participating in the proposed training.

Project Considerations

The following factors are considered when determining the viability of an incumbent worker training project:

1. The characteristics of the incumbent workers and how they will benefit from the training. Priority is given to employers who propose to train individuals who are low income, individuals with disabilities, older individuals, ex-offenders, homeless, youth who are in or have aged out of the foster care system, English language learners, individuals who have low levels of literacy or cultural barriers and single parents;
2. The quality of training. Whenever possible, the project should allow the employee to gain industry-recognized training experience and credentials and an increase in wages;

¹ Immediate family is defined in [29 CFR 780.308](#) as parent, spouse, child, step-children, foster children, step-parents, and foster parents;

² Have an established employment history with the business for six months or more – unless the incumbent worker training is provided to a cohort of employees. In this situation, not every employee in the cohort must meet the six-

month employment history as long as the majority of the employees being trained meet the employment history criteria.

3. The number of employees that will be trained;
4. the wage and benefit levels of employees, before and after training;
5. occupation(s) for which incumbent worker training is being provided;
6. the length of the training. Training should not exceed 12 months; and
7. the commitment to retain or avert the layoff of employees receiving training.

Projects are **NOT** eligible for training funds if:

1. The employer has any other individual on layoff from the same or substantially equivalent position that the incumbent worker is being trained for;
2. the project will infringe upon the promotion of or displacement of any currently employed worker or a reduction in their hours;
3. the same or a substantially equivalent position the employee will be trained for is open due to a hiring freeze;
4. the position(s) are for seasonal employment; or
5. the position is not full-time, i.e., minimum of 32 hours per week.

Application Process

The incumbent worker training application may be found by going to <http://labor.alaska.gov/wioa/iwtp.htm>. Once the application is completed it may be submitted to dol.iwt@alaska.gov

The application should clearly describe the training project, anticipated outcomes and a detailed budget. The training should directly assist the company to increase its competitiveness, viability and/or profitability; create or save jobs; reduce turnover; and increase the short- or long-term wages of the employee.

Employers are required to submit their application at least 30 calendar days prior to the desired start date of training. Exceptions to this may be granted if extenuating circumstances are present. Reimbursable training activities cannot begin until an application has been approved.

Other training sources

There are training programs on the local and state level designed to support Alaska workforce development needs. Businesses may use any or all of these training programs concurrently, however each training program must support a specific training. Receipt of other training grants must be disclosed in the incumbent worker application.

Grant Restriction

The state fiscal year begins July 1 through June 30. Employers are limited to receiving one incumbent worker grant per state fiscal year. If the employer has already received a training grant from DETS through another funding source the training must be non-duplicative.

Project Budget

The cost of training per employee should be reasonable as compared to the type of training being delivered. Costs of the training project must be “necessary and reasonable” and fall within one of the following budget line items:

- *Personal Services* – Personal services includes wages paid by the employer during times of training, and in-kind contributions by the employer. Program funds cannot be used to pay wages for incumbent employees. Mentorship wages/salaries/fringe benefits are allowable as they are considered a supportive role to the incumbent worker. Overtime is not an allowable expense. Timesheets or copies of paystubs may be required to document time worked and wages paid.
- *Travel* – Instructor or participant transportation (mileage, ground, air), lodging and per diem are allowable and daily rates may not exceed the State of Alaska’s travel rates. Travel is only available for training that is out of the area that exceeds 50 miles from the regular job site.
 - Air travel will not be reimbursed above the main cabin fare rate
 - Tips, gratuities, per diem, meals, and beverages are disallowed costs for reimbursement
- *Contractual* – Costs for contracted instructor, rental of equipment, or rental of facility to perform training. The employer may not charge for rental of its own facility or equipment towards the award.
- *Training Supplies* – Supplies that are directly related to training i.e., welding supplies, training manuals, small tools.
- *Participant/Employee Services* – Incumbent worker training costs including tuition, fees, books, and special work clothing/tools are allowed and documented in this section of the budget. Participant wages are not allowable as it is considered the responsibility of the employer under the Personal Service section.

Single Audit

Businesses that are recipients or sub recipients of State funding of \$750,000 or more or federal funding of \$750,000 or more in a fiscal year will be subject to [Single Audit Requirements](#). The company is responsible for the cost of the audit and IWT funds CANNOT be used to cover these costs.

Application Review

The application and supporting documents will be reviewed by IWT staff to ensure all required information has been received. Due Diligence will be conducted to identify how long the organization has been registered to conduct business in Alaska and to determine whether the organization has any outstanding judgment liens on file. Additionally, employers must be in compliance with their payment of unemployment insurance and workers’ compensation taxes, employee wages and other state and federal mandated employment laws.

Once the initial application is reviewed and due diligence completed, the proposal will be provided to the DETS Assistant Director to determine if the proposal will be funded.

Notification of Approval or Denial

Once the Assistant Director has made a decision on the award, a notice of grant approval or denial will be sent to the applicant. If approved, the grant amount and the date that training can commence will be listed. Employers will be required to submit documents to prove each incumbent worker has the right to work in the US as well as collect a one-page registration form provided by IWT staff. Training and associated support may be paid for by the employer and training can commence once IWT staff have verified all right to work documents and registration forms are in order.

Appeal Process

Applicants who do not receive an award may file a request for reconsideration as outlined in the DETS [Subaward Appeal Policy 07-507.1](#).

Grant Agreement

The incumbent worker training grant will be processed through AlaskaJobs. Grant awards will coincide with the state fiscal year which begins July 1 and ends June 30th. There is no provision in the grant for extending beyond June 30th.

Training must be completed within the state fiscal year that it was granted.

No reimbursements will be made until training is complete, all credentials, if applicable, receipts and proof of contribution are received. Training and associated support which were paid for or began prior to the date of the grant award cannot be reimbursed with grant funds. Final reimbursement requests must be submitted no later than 10 days following the end of the award period, June 30.

Monitor Requirements

Federal law requires all federally funded grants to be monitored. The employer must agree to cooperate with monitoring efforts as required by WIOA legislation and adhere to all other applicable local, state, and federal rules and regulations.

Part of the monitoring process is follow-up which consists of the employer reporting employment status, job title, and wage information for each incumbent worker for four calendar quarters after the end of the grant. This is generally done by submission of a paystub for each incumbent worker per quarter upon request of IWT staff.

Reporting Requirements

Participant tracking

Incumbent workers who receive training under the grant must be tracked in AlaskaJobs and reported

in federal reports. The employer is required to submit participant registration forms, right to work documents, verified dates of training, copies of certificates, licenses or other credentials and follow-up employment information for each incumbent worker. Employers are responsible for having an employer account in AlaskaJobs as well as ensuring each incumbent worker registers for an individual account in AlaskaJobs prior to the grant being awarded

Project progress

Progress reports on project deliverables are required monthly and are submitted through the IWT email address to IWT staff. If no work was completed on the project during the month, the progress report is still required, it just needs to reflect that no training took place during the month.

Final Report

Upon completion of the project a final report on the training outcomes is due 10 days after the grant period ends. The final report will be submitted through the IWT email to IWT staff.

Reimbursement Requests

Requests for reimbursement of the costs of training will be submitted through the IWT email to IWT staff at the conclusion of each incumbent workers training. Businesses should maintain adequate records of the costs associated with the training, information about the training provider, a detailed description of training, and benefits the training activities has been provided to the employees.

Supporting reimbursement documents include:

- General ledger indicating expenditures, payments and contribution applied to the project; or
- Invoices in lieu of the general ledger. The invoice should include the dates and types of training that was provided and copy of the check with which the invoice was paid or other financial documentation as evidence of payment including the date the payment was made; and
- For each training session, a copy of the roster, which includes trainees' names or other verification of the dates each participant attended training provided by the trainer or training entity

Any costs associated with employees deemed ineligible by WIOA regulations will not be reimbursed. Whether the trainer charges a flat fee or a per employee fee, the invoice will be pro-rated to exclude ineligible employees.

Records retention

Accurate financial records that support the training and subrecipient contribution for the purpose of requesting reimbursements and reporting training activity as accurate and true, must be retained for a period of at least six years.

Amendment Request

If the project deliverables change, such as needed to move from on-line training to in-person

training, or training contract amounts change, etc., the employer may request an amendment to the grant in accordance with the DEFS [Subaward Amendments Policy 07-526.1](#). The Incumbent Worker Training grants staff will evaluate the amendment request and the employer will be notified of the approval or denial of the amendment.

References

- [Incumbent Worker Training \(IWT\), TEGL 19-16 \(13\)](#)
- [Workforce Innovation and Opportunity Act, Section 3 Definitions, \(23\) In-Demand Industry Sector or Occupation](#)
- [Workforce Innovation and Opportunity Act Section \(3\) Definitions, \(44\) On-The-Job Training \(H\) Reimbursement for the on-the-job training \(i\) Reimbursement level](#)
- [Workforce Innovation and Opportunity Act Section 134 Use of Funds for Employment and Training Activities, \(d\) Permissible Local Employment and Training Activities, \(4\) Incumbent Worker Training Programs](#)
- [WIOA Section 134\(c\) Required Local Employment and Training Activities, \(3\) Training Services, \(H\) Reimbursement for on-the-job Training](#)
- [20 CFR Part 680.530 What eligibility requirements apply to providers of on-the-job training, customized training, incumbent worker training, and other training exceptions](#)
- [20 CFR Part 680.780-840 Who is an “incumbent worker” for purposes of statewide and local employment and training activities?](#)
- [2 CFR 200.306 Cost Sharing and Matching](#)
- [WIOA Incumbent Worker Training Policy 07-529.3](#)
- [Fair Labor Standards Act](#)
- [Pre-award Risk Assessment and Due Diligence Policy 0-527.2](#)
- [Subaward Appeal Policy 07-507.1](#)
- [Subaward Amendment Policy 07-526.1](#)
- [Subrecipient Contributions Procedures](#)