

Policy for the Provision of Incumbent Worker Training Services: Adult and Dislocated Worker Programs

I. INTRODUCTION

The Mayagüez–Las Marías Local Workforce Development Area establishes this Public Policy to govern Incumbent Worker Training activities within our Local Area. This activity provides employers with a mechanism for job retention to prevent layoffs and business closures. Simultaneously, it offers a framework for skill upgrading aimed at enhancing the competitiveness and productivity of established businesses in Puerto Rico.

Up to 20% of the total combined allocations of Adult and Dislocated Worker Program funds may be reserved to pay the federal share of costs associated with providing training to incumbent workers.

II. LEGAL AUTHORITY

- **Section 134(d)(4)** of the Workforce Innovation and Opportunity Act (WIOA).
- **20 CFR §§ 680.770, 680.780, 680.790, 680.800, and 680.810** (WIOA Final Regulations).
- **Training and Employment Guidance Letter (TEGL) No. 3-15**, issued by the Employment and Training Administration (ETA) of the U.S. Department of Labor on July 1, 2015.

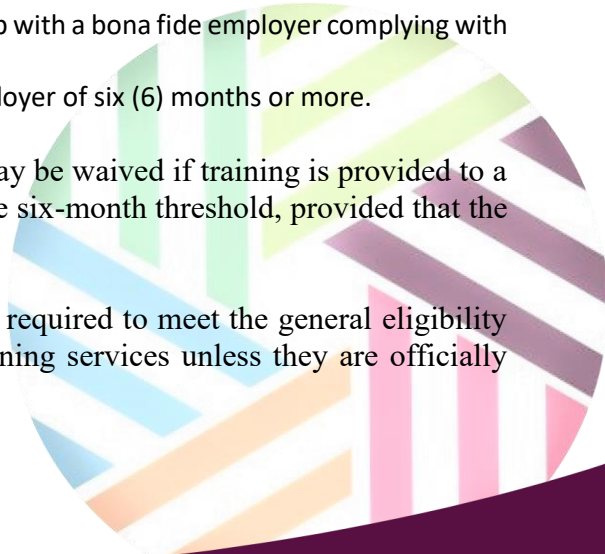
III. INCUMBENT WORKER ELIGIBILITY

To determine the eligibility of an incumbent worker, the individual must satisfy the following criteria:

- Be employed in the private sector (for-profit or non-profit);
- Maintain an established contractual employment relationship with a bona fide employer complying with labor standards laws; and
- Possess an established work history with the proposing employer of six (6) months or more.

Exception: The six-month employment duration requirement may be waived if training is provided to a cohort/group of employees where some workers do not meet the six-month threshold, provided that the majority of the group satisfies the requirement.

Incumbent workers receiving training under this policy are not required to meet the general eligibility requirements for Adult and Dislocated Worker career and training services unless they are officially enrolled as participants in those programs.



IV. ELIGIBLE EMPLOYERS

To determine employer eligibility to receive Incumbent Worker Training funding, the following factors shall be evaluated:

- Private sector status (for-profit or non-profit);
- Characteristics and needs of the participating workers to be trained;
- Alignment of the training with skills that increase worker and employer competitiveness;
- Total number of participating employees;
- Wages and benefits of workers prior to training and anticipated wage/benefit increases post-training;
- Additional training opportunities and career advancement/promotion pathways provided by the employer; and
- Demand for the target occupations within the local labor market.

V. INCUMBENT WORKER TRAINING DESIGN

The training program shall be designed to meet the specific requirements of an employer (or group of employers) to retain a skilled workforce or avert layoffs by assisting workers in obtaining the skills necessary to maintain employment. Participating employers must commit to retaining the trained workers upon completion of the activity.

VI. REQUIRED EMPLOYER NON-FEDERAL SHARE (MATCH)

Employers participating in Incumbent Worker Training must contribute to the non-federal share of total training costs. The required minimum employer contribution is structured based on business size:

- **10%** of total training costs for employers with **50 or fewer employees**;
- **25%** of total training costs for employers with **51 to 100 employees**; and
- **50%** of total training costs for employers with **more than 100 employees**.

The employer contribution may be provided in cash or as documented in-kind contributions, which may include wages paid to employees while participating in training. Employer contributions must be reported in accordance with guidelines established by the Workforce Development Program (PDL/WDP).

VII. WIOA TITLE I-B FEDERAL SHARE

WIOA Title I-B Incumbent Worker funds will subsidize allowable direct training expenses, including curriculum development, tuition, external instructor fees (company employees acting as instructors are unallowable), and instructional materials. The federal share shall not exceed:

- **90%** of training costs for employers with **50 or fewer employees**;
- **75%** of training costs for employers with **51 to 100 employees**; and
- **50%** of training costs for employers with **more than 100 employees**.

VIII. APPROVAL AND EFFECTIVE DATE

This public policy shall take effect immediately upon its approval. The Executive Director is responsible for notifying all staff within five (5) business days following its adoption.



JOSÉ A. JUSTINIANO RODRÍGUEZ
Chairman, Local Workforce Development Board

August 7th, 2024
DATE

/cmpr

