

New Mexico Workforce Connection

Central Region



Operational Policy NO. OP- 433

Subject: Incumbent Worker Training
Effective: PY18, 10/22/2018

PURPOSE

The purpose of this policy is to provide direction to Central Region's Service Provider regarding the permissible use of adult and dislocated worker funds for training activities associated with incumbent workers.

REFERENCES

- Workforce Innovation and Opportunity Act (WIOA), July 22, 2014, §108, §122, §134, §181 and §194.
- WIOA Final Rules – U.S. Department of Labor (Title I): 20 CFR §680.760, §680.830, and §680.840.
- Office of Management and Budget (OMB), Uniform Guidance at 2 CFR §200, et al., Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.
- Training and Employment Guidance Letter WIOA No. 19-16 Operating Guidance for the Workforce Innovation and Opportunity Act.
- Fair Labor Standards Act (FLSA) §203.

BACKGROUND

The Workforce Investment Act (WIA) of 1998 did not promote the use of local funds for incumbent worker training, but did allow the use of statewide funds for such training. Under WIA a LWDB was only permitted to conduct incumbent worker training if a waiver had been granted. Unlike WIA, the Workforce Innovation and Opportunity Act (WIOA) of 2014 explicitly allows for and encourages the use of incumbent worker training as a workforce strategy. This training strategy is designed to meet the special requirements of an employer (including groups 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. In addition, incumbent worker training must be focused on increasing the competitiveness of the employee or employer, and be conducted with a commitment by the employer to retain or avert the layoffs of the incumbent worker(s) trained.