



# Incumbent Worker Training Policy

Approval Date: March 6, 2026

## Purpose

The purpose of this policy is to provide guidance on the requirements for Incumbent Worker Training as administered by Greater Cleveland Works.

## Background

Incumbent Worker Training (IWT) is one type of work-based training model and is designed to either assist workers in obtaining the skills necessary to maintain, retain or advance their employment or to avert layoffs. IWT must increase both a worker's and a company's competitiveness. Greater Cleveland Works may use up to 20 percent of local adult and dislocated worker formula funds for IWT. The training should, wherever possible, allow the worker to gain industry-recognized training experience.

## Definitions

Incumbent worker: a full-time worker employed with the company for at least six months before the incumbent worker training starts.

Incumbent worker training: training designed to meet the special requirements of an employer (including a group of employers) to retain a skilled workforce, promote an incumbent worker or avert the need to lay off employees, by assisting the workers in obtaining the skills necessary to maintain or retain employment or have the opportunity for increased earnings potential through promotion.

Layoff aversion: a continuum of strategies targeted to specific employers or industries that are experiencing a decline and have the potential to undergo layoffs, or are experiencing a serious skills gap that impacts their ability to compete and retain workers. A layoff is considered to be averted when:

1. A worker's job is saved at an existing employer facing a 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 or a minimal spell of unemployment.

## Types of IWT

IWT is restricted to skill attainment activities. The training should benefit workers by making them more qualified in their line of business and/or by providing them with skills for new products or processes. It is desired that the training results in credentials or industry recognizable skills that promote the worker's career and increases the overall employability.

The three (3) types of training are as follows:

1. Skills upgrading and retraining. Short-term training that enhances occupation-specific skills or basic skills that lead to a credential/certificate.
2. Customized training. Customized training is conducted with a commitment by an employer or group of employers to continue the employment of an individual upon successful completion of training.



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3. Occupational skill training through Individual Training Accounts with those institutions on Greater Cleveland Works' eligible training provider list. Training that leads to an industry recognized credential or a certificate required for job performance.

## Employer Eligibility

For an employer to be eligible it must establish that it meets both the following eligibility criteria.

1. Federal and State Requirements. The following is the minimum eligibility criteria that must be demonstrated to satisfy federal and state eligibility requirements.
  - a. Must not be presently debarred, suspended, proposed for disbarment, and declared ineligible or voluntarily excluded from participation in transactions by USDOL, the state of Ohio, Cuyahoga County, City of Cleveland, or the Fair Employment Wage Board.
    - Federal Exclusion and Debarment Site: <http://www.sam.gov>
    - Ohio Department of Taxation: <http://www.tax.ohio.gov>
    - Business Filing Search: <http://www.sos.state.oh.us>
  - b. Shall not have any outstanding tax liability to the state of Ohio for over six months and will disclose any known outstanding tax liabilities with other states prior to entering into contract.
  - c. Must not be identified as having more than (1) unfair labor practice contempt of court finding on the most recent list established by the Ohio Secretary of State.
  - d. Must have all of the approvals, licenses, or other qualifications needed to conduct business in the state of Ohio and all must be current. Training under the IWT program will cease if the business is disqualified from conducting business in Ohio during the course of the training.
  - e. Public or governmental entities may be considered eligible to participate as employers for IWT based on the following factors, which help to evaluate whether the training would increase the competitiveness of the employers and/or their employees.
    - Sustainability - the training plan should identify how the public entity plans to sustain the training needs of future employees, as WIOA-funded IWT is not intended to be a long-term solution.
    - In-Demand/Critical Job - the local area should consider whether the public sector positions receiving IWT are identified as either in-demand or critical per the Ohio Top Jobs list.
    - New Technology - the training plan should identify if a new technology has been introduced that requires a skill upgrade for employees.
    - Labor Shortages - the local area should identify if Ohio Labor Market Information (LMI) indicates that there is a shortage of labor in the training occupation(s).
    - Benefit to the Community - The local area should determine if the training will allow employees to receive skills that will assist in providing essential community services.



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- f. Must not have been in operation in the state of Ohio for less than 120 days if the business had laid off workers at a former location in the United States. To verify that a business is not relocating employment from another area, a pre-award review must include the names under which the establishment conducts business, including predecessors and successors in interest; the name, title, and address of the company official certifying the information, and whether WIOA assistance is being sought in connection with past or impending job losses at other facilities of their company. The pre-award review should also include a review of whether appropriate notices have been filed, as required by the Worker Adjustment Retraining Notification (WARN) Act. The review may also include consultations with labor organizations and others in the affected local area(s).
  - g. Must not have any outstanding civil, criminal or administrative fines or penalties owed to or pending in the state of Ohio.
  - h. Must have workers compensation insurance.
2. Greater Cleveland Works Additional Requirements. The following is the minimum eligibility criteria that must be demonstrated to satisfy Greater Cleveland Works requirements.
  - a. The employer must submit to a meeting/interview with a Greater Cleveland Works' representative as part of the application process. An interview done within twelve (12) months prior to the submission of the application will qualify.
  - b. The industry and/or the occupations for which the training is to be provided must be on the State of Ohio's In-Demand list.
  - c. The employer must promise within its written training agreement that future job openings will be listed through Greater Cleveland Works.
  - d. Must have no layoff in the position being considered within the past 6 months.

## Employee Eligibility

The incumbent worker must meet each of the following minimum federal, state, and local requirements.

- Employed by the employer doing the training for six months or more. In the event the training is being provided to a cohort of employees, not every employee in the cohort must have an established employment history with the employer for six months or more if the majority of employees within the cohort being trained meet the employment history requirement.
- The employee meets the Fair Labor Standards Act requirements/definition for an employer-employee relationship.
- Completed selective service registration (for males 18 and over born after January 1, 1960).
- Individual has citizenship status.
- Individual is age 18 or older.
- The employee makes at least fifteen dollars (\$15.00) an hour prior to the training, for no less than thirty-two (32) hours per week. If the employee makes less than fifteen dollars an hour, they will need to make at least that amount at the conclusion of training.

## Employer Application Process



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Businesses requesting IWT funds must submit a training application. Greater Cleveland Works must approve the training plan prior to the commencement of training and before reimbursement may be made to the Employer. The approval process will take into consideration the following criteria and must lead to one or more of the following:

- Improves the occupational skills of the employers' workforce
- Assists employers in averting layoffs\*\*
- Helps employees continue their skill building and maximizing their potential
- Raises the skill level of workers that leads to promotion\*\*
- Provides career progression that opens entry-level positions to others
- Increases retention in employment
- Results in a wage increase of at least \$1/hour\*\*
- Supports employees earning less than \$22/hour (\$45,760 annually)\*\*
- Supports a private sector business\*\*

*\*\*Denotes criteria that are given higher priority in the approval process.*

Additionally, the training plan must identify all the following:

- The provider(s) of training;
- Type of training;
- Planned start and end dates;
- Number of individuals to be trained;
- The pre and post training wages of individuals to be trained;
- The projected cost of training; and
- Any other information required by Greater Cleveland Works

While employers may suggest a trainer or educational institution, Greater Cleveland Works must approve the trainer/educational institution to be used. In determining whether a trainer/educational institution is acceptable or not, the following criteria will be considered:

- satisfactory past performance,
- accreditation,
- curricula that lead to credentials,
- relevant training experience, accredited instructors,
- proven high job placement rates,
- proven high training completion rates,
- a proposed training environment that supports learning and is within reasonable proximity to the trainees.

Any costs incurred or monies expended by the Applicant on the project prior to the final approval and the execution of the written Agreement, is done at the Employer's own expense. The Employer's decision to go forward does not obligate Greater Cleveland Works to provide assistance before all required approvals. Training expenses are reimbursed only if Greater Cleveland Works has approved the training application.



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## Allowable and Unallowable Costs Associated with IWT

1. Allowable costs may include only costs directly related to training. Allowable costs may include:
  - a. Cost of tuition if using an educational provider, which includes expense of instructor/trainer.
  - b. Instructor/trainer salaries if not otherwise covered by tuition.
  - c. Curriculum development.
  - d. Materials and consumables including textbooks, manuals, training software.
  - e. Other necessary and reasonable costs directly related to training.
2. Unallowable costs include:
  - a. Foreign travel.
  - b. Purchase or lease of capital equipment or non-training software.
  - c. Encouragement or inducement of a business or part of a business to relocate from any location in the United States.
  - d. Use of IWT funds to pay for a worker's training wages.
  - e. Employment-generating activities.
  - f. Economic development activities.
  - g. Investment in revolving loan funds.
  - h. Investment in contract bidding resource centers.
  - i. Capitalization of business.
  - j. Payment of training costs or wages for a worker before their training period has commenced or after their training period has ended.

## Employer's Share of Training Costs

Employers participating in the IWT shall be required to pay a share of the cost of providing the training. As part of the application process, Greater Cleveland Works shall establish the non-Federal share of such cost by taking into consideration such factors as the number of employees participating in the training, wage and benefit levels of the employees, the relationship of the training to the competitiveness of the employer and employees, availability of other employer-provided training and advancement opportunities and remaining budgeted funds.

The minimum amount of employer share depends on the size of the employer:

- At least 10 percent of the cost, for employers with 50 or fewer employees;
- At least 25 percent of the cost, for employers with 51 to 100 employees; and
- At least 50 percent of the cost, for employers with more than 100 employees.

Employer size is based on the number of employees currently employed (at the time of the execution of the IWT contract) at the local operation where the IWT program will take place. This applies to all employers, including employers with seasonal or intermittent employee size fluctuations.

The share provided by an employer participating in the program may include the amount of wages paid by the employer to a trainee while the trainee is attending an IWT program.



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## Greater Cleveland Works Contract and Payment Terms

### 1. Requirement of a Written Agreement.

If an employer's application for the provision of assistance in providing IWT is approved, Greater Cleveland Works will contact the employer to negotiate the remaining terms and conditions associated with the provision of assistance. Greater Cleveland Works and the employer are not committed to the provision of training and assistance until a written agreement is in place.

### 2. Terms of the Payment/Repayment.

The employer shall be solely responsible for paying the trainer and/or educational institution pursuant to terms and conditions agreed upon. Greater Cleveland Works shall be responsible for compensating the employer for an agreed upon share of actual expenses incurred by the employer, after the completion of the training and following the employer submission of all the following:

- an invoice,
- a copy of all supporting documentation provided to the employer by the educational provider,
- a copy of each of the certificates of training earned by each participant, and
- the employer's proof of payment showing the amount it paid the trainer/educational provide,
- Where required in the contract, proof that individuals trained received a raise.

## Monitoring

A Greater Cleveland Works representative will visit employer sites, no less than one visit within a six-month period unless issues of non-compliance arise. The representative will work with employer to resolve any findings of non-compliance.

Monitor shall review the following:

- Specific application criteria used to determine approval of the training were met
- Training was provided to the participant(s)
- The training was reasonable
- Employer share of costs was met
- Other applicable rules and regulations