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**Workforce Investment Act  
State Compliance Policies**

**SECTION: 1.19      Incumbent Worker Training at the Local Area Level    May 2011**

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- I.      Introduction:** It is crucial for Nevada to promote a well-trained, well-educated, highly skilled and qualified workforce that meets the needs of Nevada’s employers. Nevada recognizes that improving the education and skill levels of the current workforce will not only improve the state’s economy and fiscal well being, but will also increase the ability of businesses to effectively compete in the global economy.

Strategies for the existing workforce should be designed to benefit business and industry by assisting in the skill development of existing employees (incumbent workers) and increasing employee productivity, and the growth of the company.

The waiver approved by the Department of Labor in August 2010 allows local workforce investment boards to use up to 20 percent of local Dislocated Worker funds for incumbent worker training only as part of a layoff aversion strategy.

**II.      Local Area Layoff Aversion Plan:**

- A.** A local board wanting to provide incumbent worker training at the local level as part of an overall layoff aversion strategy must submit a plan to the Department of Employment, Training and Rehabilitation (DETR) for approval prior to accepting applications from employers.
- B.** The Layoff Aversion Plan will be considered an amendment to the local area’s local plan and must address the following:
1. The local area’s overall aversion strategies including establishing linkages with the economic development and employer communities;
  2. The exact percentage of funds to be set aside;
  3. A description of the various services and activities to be funded;
  4. A target number of employers and/or employees that will benefit from the funds, and how these were identified; and meet the eligibility criteria as outlined in Section III below.
  5. Assurance that the training is for high demand or high growth industries; and
  6. Description of the eligibility criteria to be used to select employers and incumbent workers.
- C.** Once the Layoff Aversion Plan is approved by DETR, the local board will be able to accept applications from employers. The application specific to the project must be provided to DETR for to ensure compliance with the approved plan and must include the following:
1. The type of training to be delivered and the skills acquired as a result;
  2. Number of employees to be trained, names, job titles and current salary/wage;

3. Amount of funding requested;
4. How employers were selected (announced layoffs through a WARN, other public notice, reduced employees hours or another indicator of economic difficulty, e.g., mid-range or lower Dun and Bradstreet scores);
5. A determination that incumbent worker training is the appropriate solution for the employer and that the training will provide the employer with the skills it needs to maintain operations and avoid closure or lay-offs;
6. Evidence of employer commitment, either to retain the employee or to pay the employee a higher rate.

### III. Eligibility Requirements for Employers and Incumbent Workers:

**A. Employers:** Existing Nevada entities that are organized in accordance with Nevada and Federal laws can submit an application to the local board if they meet the following:

1. Must have operations in Nevada for a minimum of **three (3) years prior to the application;**
2. Must be current on all state and local tax obligations;
3. Offer high skill and high wage jobs in demand occupations;
4. Training for only employees based within Nevada;

**B. Incumbent Workers:** There is no income eligibility for incumbent workers; however the following minimum requirements must apply:

1. Must be 18 years old or older; a U.S. citizen or legally authorized to work in the U.S. and comply with Selective Service provisions;
2. Must be currently employed by the participating employer;
3. Must need skill upgrading or retraining, completion of GED or High School diploma, basic skills upgrade to retain employment, be promoted and/or be successful in their employment with the company.

### IV. Allowable Training Activities:

- A. Occupational skills training that is designed to meet the special requirements of an employer and is conducted with a commitment to continue to employ the individual(s) or to pay a higher wage;
- B. Skill upgrading or retraining;
- C. Literacy activities – for example, work related English classes, GED, High School Diploma.

### V. Allowable Training Providers:

- A. Nevada's System of Higher Education;
- B. WIA eligible training providers;
- C. Training providers licensed/certified through state or federal entities;
- D. Employees of the applying entity with **documented** competencies in the proposed

- curriculum; or
- E. Professionals with documented competencies in the proposed occupational training category.

**VI. Allowable Expenses:**

- A. Tuition and registration fees;
- B. Salaries/fees required for an instructor's time that is **dedicated** to the training outlined in their application;
- C. Curriculum development (upon approval of application);
- D. Textbooks, manuals, materials and supplies;
- E. Training certifications, licenses and credentials; and
- F. Training software.

**VII. Disallowable Expenses:**

- A. Costs incurred prior to the approval date of the application;
- B. Construction or purchase of facilities or buildings;
- C. Business relocation expenses;
- D. Lobbying activities;
- E. Employee wages;
- F. Computer hardware, office furniture/equipment, or other equipment or machinery;
- G. Indirect costs and/or general overhead;
- H. Profits; and
- I. Stipends or bonuses.

**VIII. Required Outcome Data:**

- A. Two of the three dislocated worker common measures apply to all employees participating in incumbent worker activities:
  - 1. Employment Retention Rate – employment in the first, second and third quarters after the exit quarter (completion of training);
  - 2. Earnings change in six months after the exit quarter (completion of training).
- B. Incumbent workers will be required to be registered in the Nevada JobConnect Operating System (NJCOS) and all appropriate activities entered in the Services tab with planned/actual start and end dates.
- C. On a quarterly basis, the local board will be required to report the following participant data:
  - 1. Name of participant(s) and SSN;
  - 2. Names of participants who completed training;
  - 3. Type and length of training provided to each participant;
  - 4. Name of program participants who received a credential or certificate;
  - 5. Participants' wage at completion of training and six months after completion;
  - 6. Name of participants whose job classification changed or skills were upgraded;

7. Briefly describe any obstacles, success stories, as appropriate.

**IX. Definitions:**

- A. Demand Occupation:** Occupations that are growing faster than average or projected to add a substantial number of new jobs.
- B. High Growth:** Expanding sector of an economy, or one growing faster than the overall economy.
- C. Incumbent Worker:** An individual currently employed in an existing non-public employer in Nevada.
- D. Matching Contribution:** Goods or services provided to or supporting the proposed project that are paid through other resources.
- E. Underemployed:** An individual who is currently employed in a job or position that is not commensurate with the skills, abilities and/or educational level of the individual.