

1 **Statewide Rapid Incumbent Worker Training Pilot Initiative**
2 **Discussion Paper**
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4 **Background**

5 As the Texas economy continues to grow so does the need for workers to develop new skills.
6 Incumbent worker training increases the competitiveness of employers and workers by assisting
7 workers in obtaining new skills necessary to retain employment. Additionally, the training
8 invests in members of the community and helps retain local employers by ensuring that their
9 employees meet their needs.

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11 As set forth in WIOA §134(a)(3)(A)(i) and 20 CFR §680.800(b), states may use their statewide
12 Workforce Innovation and Opportunity Act (WIOA) funds for incumbent worker training
13 activities. To qualify as an incumbent worker, the worker must have an established employment
14 history with the employer for 6 months or more, unless the training is being provided to a cohort
15 of employees, in which case, a majority of the employees being trained must have an established
16 employment history with the employer for 6 months or more. Additionally, incumbent worker
17 training requires funds other funds to be leveraged.

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19 **Issue**

20 This pilot initiative would award grants to medium and large employers, a consortium of these
21 employers, or their designee for purposes of retaining a skilled workforce or averting the need to
22 lay off employees.

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24 Through an application-based process, medium and large employers, including publicly funded
25 healthcare employers, or their designee(s) may be awarded funds to identify and organize
26 qualified training for one or more employees. The employer will be required to explain why the
27 training is needed, including how the training will help the employer retain employees or avert
28 layoffs, which certifications will be earned, and the skills that will be gained through the training.
29 Awards would be at least \$150,000 and no more than \$500,000, with a cost per participant of
30 \$3,000. Participating employers would be required to participate in the cost of training through
31 leveraged funds. Examples of an acceptable match may include employee wages or shared
32 training costs. Applications would be received and considered over an initial 60-day period with
33 a goal of deploying training rapidly.

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35 **Recommendations**

36 Staff recommends the Texas Workforce Commission approve up to \$5 million of Workforce
37 Innovation and Opportunity Act funds to support a rapid incumbent worker training pilot
38 initiative as described above.