



AB #18-10 R3
Effective: July 1, 2021

ACTION BULLETIN

TO: Workforce Innovation and Opportunity Act (WIOA) Adult/Dislocated Worker Career Service Providers

DATE: June 10, 2021

SUBJECT: Customized/Incumbent Worker Training Policy

PURPOSE OF BULLETIN:

This bulletin provides an update to Alameda County Workforce Development Board's (ACWDB) Customized/Incumbent Worker Training Policy. The purpose of the bulletin is to provide policy and guidance to all WIOA Adult/Dislocated Worker Career Service Providers (CSPs) who refer employers interested in customized training programs to the Business Services Unit (BSU). This policy and guidance will include the definition of Customized and Incumbent Worker Training (CT/IWT) as well as information on funding, eligibility, program requirements, allowable activities, performance outcomes, and entities not eligible to apply. Changes will be reflected in **bold** type.

CITATIONS:

- Action Bulletin #21-01 – Workforce Innovation and Opportunity Act (WIOA) Adult Self-Sufficiency Wage Threshold Policy
- Action Bulletin #50 - Customized Training Policy May 1, 2015
- Department of Labor Employment and Training Administration (DOLETA) Federal Register
- TEGL 19-01 – *Guidance on Incumbent Worker Training*
- TEGL 19-16 - *Guidance on Services provided through the Adult and Dislocated Worker Programs under the Workforce Innovation and Opportunity Act (WIOA) and the WagnerPeysner Act Employment Services (ES) as amended by title III of WIOA, and for Implementation of the WIOA Final Rules (March 1, 2017)*
- WIOA Section 3 [14] – Defines customized training
- WIOA Sections 134 (c)(3)(E), 134 (d)(4)

BACKGROUND:

WIOA provides for the local Workforce Development Board to establish policies and procedures for customized training. The WIOA Section 3 [14] defines “customized training” as:

- 1) Designed to meet the special requirements of an employer (including a group of employers);
- 2) Conducted with a commitment by the employer to employ, or in the case of incumbent workers, continue to employ, individual on successful completion of the training;
- 3) Increases the competitiveness of the employer or employee;
- 4) Gives employees the opportunity to progress on their career pathway by providing opportunities to obtain certificates or credentials based on the employers need;
- 5) For which the employer must pay a significant portion of the cost of training. The employer contribution was determined to be 50% for CT by the local board on September 10, 2015 and this is still in effect. For IWT, the minimum amount of employer share depends on the size of employer and are as follows:
 - At least 10% of the cost of employers with 50 or few employees
 - At least 25% of the cost for employers with 51-100 employees
 - At least 50% of the cost for employers with more than 100 employees

Customized training opportunities should be made available for employers who offer:

- 1) jobs that pay a livable wage and benefits;
- 2) support for ongoing skills training and employee advancement; and
- 3) good working conditions.

ACTION:

These policies are being transmitted to sub-contractors providing career services to Adults and Dislocated Workers and should be distributed to the appropriate staff for implementation.

WIOA FORMULA FUNDS
CUSTOMIZED/INCUMBENT WORKER TRAINING PROGRAM POLICY

Funding for CT/IWT:

CT/IWT may be funded with both WIOA Adult and Dislocated Worker, Title I Formula funds. CT funded with WIOA Adult funds should be prioritized for low-income, public-assistance recipients or basic skills deficient participants [WIOA Section 134 (c)(3)(E)], when possible. **IWT must be for employed workers earning below the self-sufficiency threshold of \$35.11 per hour, as determined by ACWDB.**

Business/Company Eligibility for CT/IWT:

A business must meet at least one of the following criteria to be considered:

1. A business that is engaged in one of the priority industry sectors as outlined in ACWDB's Industry Sector and Occupational Framework (ISOF) or any subsequent framework that identifies priority industry sectors for ACWDB's region
2. A business that proposes an upgrade in employee skills
3. A business that proposes an increase in employee wages
4. A business that proposes training in portable skills
5. A business that is the focus of business retention efforts

Performance Outcomes:

1. Employee Related Outcome Measures
 - Increase in skill levels of trained workers
 - Increase in wage levels of trained workers
2. Business Related Outcome Measures
 - Averts a layoff or loss of jobs
 - Lowers employee turnover
 - Increases the profitability of the business
 - Enhances the competitiveness of the business
 - Avoids business relocation or consolidation that results in a loss of local jobs

Allowable Activities:

1. Occupational skills training that is designed to meet the special requirements of a business or a group of businesses and that is conducted with an employer's commitment to hire or continue to employ all trained individuals upon successful completion of the training.
2. Educational training, including workplace literacy, basic skills, "soft" skills, and English as a second language. A business applicant must demonstrate the effect of the training on business operations and identify the transferable skills acquired by employees.
3. An assessment of the employers' operations, business needs, and growth potential. Individual assessments for potential training participants are not allowable.

Training Program Requirements:

1. The entity/employer must be a business.
2. Not-for-profit businesses that are engaged in commerce are eligible. They must generate revenue and provide tangible services within a market and reinvest any profit back into the business.
3. **Must meet the Fair Labor Standards Act requirements.**
4. Businesses must be in high growth/high value industries and ISOF sectors.
5. Training must result in the attainment of industry-recognized, postsecondary credentials (i.e. industry-recognized certificate or certification, certificate of completion of an apprenticeship, a license recognized by the state or federal government, associate or baccalaureate degree or graduate degrees for purposes of Vocational Rehabilitation) for participants.
6. Under normal conditions, the business' facility where employees will receive training must be within Alameda County excluding the City of Oakland. However, due to the impacts of Covid-

19, and for a limited duration, ACWDB will consider on a case-by-case basis businesses located outside of ACWDB's Local Area. Applications from businesses within Contra Costa County, the City of Oakland, and the City and County of San Francisco will be assessed giving consideration to justifiable need, compliance with all CT/IWT eligibility, availability of funding and status of prioritized requests from employers within ACWDB's Local Area. Each employer approved from outside of ACWDB's Local Area must commit to serve sixty percent (60%) of their program participants from within ACWDB's Local Area. This waiver of the requirement for employer location is set to expire at the end of December 2021 at which time it will be revisited by ACWDB staff.

7. Businesses must be stable as illustrated by the fact that they have been operating in Alameda County during the entire 12-month period immediately preceding the date of application. **Those operating in Alameda County for less than the 12-month minimum need to provide evidence of stable operations in the previous locale and will be considered on a case-by-case basis.**
8. The business must be current on all state, county, city, and local tax obligations.
9. The business must be willing to consider hiring unemployed Adult and/or Dislocated Workers participants who may lack some of the skills the employer seeks – and who may then benefit from the training provided by increasing their skill level to a minimum established by the employer or by industry needs.
10. Approval of applications is conducted on a case-by-case basis. ACWDB will notify applicants if their proposal has been approved or denied based on required program criteria.
11. Businesses are required to meet the following goals as part of their training program, and to be considered for subsequent training contracts:
 - 85% of those participating in training must complete the training;
 - 70% of those completing training have been hired or retained by the company;
 - Submit attendance records for all participants for every training session;
 - Comply with program monitoring requirements during the training (see Attachments A-C), and quarterly follow-up reporting requirements established by ACWDB after the completion of the training.

Requirements for the Employees:

1. Training must be provided to new hires or incumbent workforce. For CT, 90% of training participants must be residents of Alameda County.
2. Training must be provided for full-time employees as defined by the employers.
3. Employees must be considered permanent as defined by the industry.
4. For IWT, employees must have an established employment history with the employer for six months or more unless the training is provided to a cohort of employees, where the majority of employees being trained meet the employment requirement.

5. CT projects sponsored through ACWDB are intended to provide long-term benefits to businesses and employees located within Alameda County.
6. Training participants must meet all the WIOA eligibility requirements as defined by ACWDB. Eligibility enrollment for all program participants will be considered on a case-by-case basis.

Entities not Eligible to Apply

1. A business currently receiving training funds, either directly or indirectly, from the Department of Labor (DOL) or the State of California unless those training funds do not duplicate the training efforts outlined in the project application. Justification must be documented.
2. A business that has received funds either directly or indirectly from the State of California government under any previous training initiative, and the terms of the agreement for training have not been met or completed.
3. A training provider
4. A labor union
5. A governmental entity
6. Local Area administrative entity or grant recipient, or subsidiary of the Local Area entity
7. Community-based organizations
8. Educational institutions
9. Employers who have not met required outcomes from previous trainings.

INFORMATION & INQUIRIES

For further information, contact Samantha Miller, Program Financial Specialist, 510-259-3832 or samiller@acgov.org.