



TRAINING SERVICES

PURPOSE

This policy provides guidance and establishes the procedures regarding training services.

This policy supersedes the following Local Policy Bulletins:

- Local Policy Bulletin #2015-12 Policy on Incumbent Worker Training, dated July 1, 2015.
- Local Policy Bulletin #2015-15 Eligible Training Provider List and Individual Training Accounts, dated July 1, 2015.
- Local Policy Bulletin #2015-17 Policy on On-the-Job Training and Customized Training, dated July 1, 2015.

Retain this policy until further notice.

SCOPE

The Workforce Development Board of Ventura County (WDBVC) and its subrecipients.

REFERENCES

- Workforce Innovation and Opportunity Act, Public Law 113-128
- Title 20 Code of Federal Regulations (CFR) Sections 680.780 – 680.820
- TEGL 19-16: Guidance on Services provided through the Adult and Dislocated Worker Programs under the Workforce Innovation and Opportunity Act (WIOA) and the Wagner-Peyser Act Employment Services (ES) as amended by title III of WIOA, and for Implementation of the WIOA Final Rules (March 1, 2017)
- Workforce Services Directive WSD19-01 (PDF), Incumbent Worker Training, (July 2, 2019)

POLICY AND PROCEDURES

Definitions

For the purposes of this policy, the following definitions apply:

Business and Employer – A private sector, local government, for profit or not-for profit place of business. Business and Employer are used interchangeably in this directive.

California Employer Account Number – An eight-digit payroll tax number issued to a registered employer by the Employment Development Department, also known as the Employer Payroll Tax Account Number, State Employer Identification Number, or state ID.

The Workforce Development Board of Ventura County is an equal opportunity employer/program. Auxiliary aids and services are available upon request to individuals with disabilities.

Eligible Employer – For an employer to be eligible for IWT services, the Local Board must consider the following:

- Whether the employer can provide a valid California Employer Account Number.
- The characteristics of the individuals in the program (see the IWT definition below).
- The relationship of the training to the competitiveness of an individual and the employer.
- Other factors the Local Board determines appropriate, such as the number of employees trained, wages and benefits including post training increases, and the existence of other training opportunities provided by the employer.

[Reference: WIOA Section 134(d)(4)(A)(ii)]

Employer Share – Employers are required to pay for a significant cost of the training for those individuals in IWT. The minimum amount of employer share in IWT depends on the size of the employer.

Follow-up – Shall be performed six months after reported completion of IWT to determine outcomes (retained employment, advancement, and increased wages).

Incumbent Worker – To qualify as an Incumbent Worker, the employee must meet the following:

- Be a current employee of an eligible employer and have an established employment history with the employer for six months or more. An individual is not held to the six-month employment requirement if the IWT is being provided to a cohort of employees. In this instance, not every employee must meet the employment history requirement if many of the employees being trained do meet the requirement.
- Meet the Fair Labor Standards Act requirements for an employer-employee relationship.
- Meet the Selective Service requirements.

[Reference: Title 20 CFR Section 680.780]

Individual Training Account (ITA) – A payment agreement established on behalf of a participant with a training provider. Based on individual assessment and funds available, an ITA may be awarded to eligible adults, dislocated workers and out-of-school youth ages 18-24.

Individuals with Barriers to Employment:

- Displaced Homemaker
- Low-income individuals
- Indians, Alaska Natives and Native Hawaiians
- Individual with disabilities
- Older individuals
- Justice-involved individuals
- Homeless individuals
- Youth who are in or have aged out of the foster care system
- Individuals who are English language learners, low levels of literacy or facing substantial cultural barriers

- Eligible migrant and seasonal farm workers
- Individuals within 2 years of exhausting lifetime eligibility under Part A of Title IV of the Social Security Act
- Single parents (including pregnant women)
- Long-term unemployed

IWT – The following characteristics define IWT:

- Designed to meet the special requirements of an employer (including a group of employers) to retain a skilled workforce, avert the need to lay-off employees by assisting the workers in obtaining the skills necessary to retain employment, and/or provide training that will result in progression on a career pathway and income mobility.
- Conducted with a commitment by the employer to retain employees, avert the layoff(s) of the incumbent worker(s) trained for a period of six months following completion of the training, or promote incumbent workers to higher paying positions.
- Increases the competitiveness of the employer or employee.
- Gives employees the opportunity to progress on their career pathway by providing opportunities to obtain certificates or credentials based on the employers need. (Reference 20 CFR 680.790)

IWT Allowable Costs – The Local Boards' share of the cost of training (teacher, books, materials) for the delivery of IWT. This amount excludes the cost of individual wages paid by the employer while the employee is attending/participating in the training. [Reference: WIOA Section 134(d)(4)(C)-(D)]

OJT Agreement: The OJT Agreement includes all the basic requirements including applicable laws, regulations and policies; outlines the appropriate steps for OJT implementation; and is specific to the individual training plan. At a minimum, the Agreement must include an extensive set of general provisions (Terms and Conditions) ensuring WIOA rules and regulatory compliance; the occupation, skills and competencies to be learned; and the length of time the training will be provided. All parties including the Employer, Service Provider and Trainee must sign the Agreement prior to the commencement of the OJT.

OJT Training Plan: The OJT Training Plan must be signed by the Employer, Service Provider and Trainee prior to the commencement of the OJT. The Training Plan is unique and customized for each OJT Trainee. The Training Plan includes the skills to be learned, training hours and evaluation of skills gained.

Program of Training Services – One or more courses or classes, or a structured regiment that leads to: a) a recognized post-secondary credential, secondary school diploma or its equivalent, b) employment, or c) measurable skill gains toward such a credential or employment.

Qualified Trainer – Qualified training can be provided in-house, by a training agency, or by a third party. Training providers should be California-based, unless the training is so unique that a

training provider cannot be found in California. The choice and method of training are determined by the employer. [Reference: WIOA Section 134(d)(4)(C)-(D)]

Self-Sufficiency – The individual’s employment pays less than 100% of the Lower Living Standard of Income Level (LLSIL) figure.

Trainee: The OJT Trainee is an eligible WIOA participant who has demonstrated the skills, abilities and interests to successfully participate in an OJT with a specific Employer. The Trainee must have received a documented assessment that resulted in an Individual Employment Plan (IEP) that documents the appropriateness for the OJT.

Training Method – The following are types of training methods allowable for IWT:

- Classroom training is instruction in a classroom setting that is provided to a group of trainees and conducted by a qualified instructor.
- Laboratory training is hands-on instruction or skill acquisition under the constant and direct guidance of a qualified trainer. Laboratory training may require the use of specialized equipment or facilities. Laboratory training may be conducted in a simulated work setting, or at a productive work setting, also known as Productive Laboratory.
- Computer-based training is delivered through a computer program at a pace set by the trainee. There is no requirement for delivery by a live trainer and training does not have to be interactive.
- Video Conference training is live, interactive instruction provided by a trainer through a video communications session.
- E-Learning instruction is delivered through a web-based system, conducted in a virtual environment utilizing a web meeting/webinar.

[Reference: WIOA Section 134(d)(4)(C)-(D)]

Training Services

Training services can be critical to the employment success of many participants. Training services are governed by sections 20 CFR 680.200 through .230 and 20 CFR 680.300 through .350 of the WIOA Final Rule. Service provider staff may determine training services are appropriate, regardless of whether the individual has received basic or individualized career services first, and there is no sequence of service requirement.

Under WIOA, training services may be provided if the Service Provider staff, including partner programs’ staff, determines after conducting an interview, an evaluation, or assessment, and career planning, that the individual:

- Is unlikely or unable to obtain or retain employment that leads to economic self-sufficiency or wages comparable to or higher than wages from previous employment through career services alone;

- Needs training services to obtain or retain employment that leads to economic self-sufficiency or wages comparable to or higher than wages from previous employment;
- Has the skills and qualifications to successfully participate in the selected program of training services;
- Is unable to obtain grant assistance from other sources to pay the costs of such training, including such sources as State-funded training funds or Federal Pell Grants established under title IV of the Higher Education Act of 1965, or requires WIOA assistance in addition to other sources of grant assistance, including Federal Pell Grants (20 CFR 680.230 and WIOA sec. 134(c)(3)(B) contain provisions relating to fund coordination.); Is a member of a worker group covered under a petition filed for Trade Adjustment Assistance (TAA) and is awaiting a determination. If the petition is certified, the worker may then transition to TAA approved training. If the petition is denied, the worker will continue training under WIOA;
- Is determined eligible in accordance with the State and local priority system in effect for adults under WIOA sec. 134(c)(3)(E) if training services are provided through the adult funding stream; and
- Selected a program of training services that is directly linked to the employment opportunities in the local area or the planning region, or in another area to which the individual is willing to commute or relocate.

Training services, when determined appropriate, must be provided either through an Individual Training Account (ITA) or through a training agreement. Except in certain instances listed in WIOA sec. 122(h) and 20 CFR sec. 680.320, training services must be provided by an Eligible Training Provider (ETP) in accordance with WIOA sec. 122(d). Training is available through a State Eligible Training Provider and Program List (ETPL), comprised of entities determined eligible to receive funds through WIOA title I, subtitle B, according to the Governor's eligibility criteria and procedure. As described in TEGL 41-14, the State ETPL ensures the accountability, quality and labor-market relevance of programs, and ensures informed customer choice for individuals eligible for training. WIOA also provides enhanced access and flexibility for work-based training options, such as Registered Apprenticeship (RA), on-the-job training, customized training, and incumbent worker training.

DOL encourages States and Local WDBs, where appropriate, to utilize previous assessments when making training determinations to reduce duplicate assessments and develop enhanced alignment across partner programs. This could include common intake forms across partner programs to encourage system alignment, reduce individual burden, and ensure customers greater access to programs based on their need. The provision of training services necessary to assist a participant in achieving his/her employment and/or training goals may be reflected in the Individual Employment Plan (IEP)/Individual Service Strategy (ISS).

Types of training services that may be provided include:

- a) Occupational skills training, including training for nontraditional employment;**
- b) On-the-job training;**

- c) **Incumbent worker training**
- d) Programs that combine workplace training with related instruction, which may include cooperative education programs;
- e) Training programs operated by the private sector;
- f) Skill upgrading and retraining;
- g) Entrepreneurial training;
- h) Job readiness training provided in combination with the training services described in any of clauses (a) through (g) or transitional jobs;
- i) Adult education and literacy activities, including activities of English Language acquisition and integrated education and training programs, provided concurrently or in combination with services provided in any of clauses (a) through (g); and
- j) **Customized training conducted with a commitment by an employer or group of employers to employ an individual upon successful completion of the training.**

Training services that are **bolded** in the list above are further described in this policy.

Occupational Skills Training / Individual Training Accounts (ITAs)

ITAs are one training option available to eligible and appropriate participants when it is determined by a staff that they will be unlikely or unable to obtain or retain employment that leads to self-sufficiency or higher wages from previous employment through career services alone. An ITA is limited in cost and duration and must result in employment leading to economic self-sufficiency or wages comparable to or higher than wages from previous employment.

ITAs are allowed for out-of-school youth ages 18-24 (out-of-school youth ages 16-17 are not eligible for ITAs) per WIOA Section 129(c)(2)(D) and Proposed 20 CFR 681.550.

ITAs are not entitlements and shall be provided to eligible participants based on an individualized assessment of the person's job readiness, employment and training needs, financial, social and supportive needs, labor market demand and potential for successful completion, as documented on the participant's IEP/ISS. Participants choose career training with Eligible Training Provider List (ETPL) in consultation with service provider staff.

ITA funding for training is limited to participants who:

- Complete an assessment and an IEP/ISS that identifies the selected training course;
- Are unable to obtain grant assistance from other sources to pay the costs of training or require assistance beyond available grant resources from other sources, such as Pell Grants to complete their training goals;
- Select training programs that are directly linked to an in-demand industry sector or occupation or sectors that have a high potential of sustained demand or growth in the local area or in the planning region or in another area in which the participant is willing to travel or relocate [WIOA Section 134(c)(3)(G)(iii)]; and
- Maintain satisfactory progress/grades throughout the training program.

Coordination of WIOA Training Funds and Other Federal Assistance

WIOA funds are intended to provide training services in instances when there is no grant assistance, or insufficient assistance from other sources such as, but not limited to: Temporary Assistance for Needy Families (TANF); Title IV Programs such as Federal Pell Grants, Academic Competitiveness Grants, National SMART Grants, Federal Supplemental Educational Opportunity Grants, or Federal Work-Study; GI Bill or other Federal financial aid available to military veterans; and state-funded grants to pay for those costs.

An individual may select training that costs more than the \$10,000 WIOA maximum amount, when other sources of funds are available to supplement the ITA. Service provider staff must consider and document in the participant file the availability of other sources of grants, excluding loans, to pay for training costs so that WIOA funds are used to supplement but not supplant other sources. The use of WIOA funds to make payments towards a personal loan of an otherwise eligible participant is prohibited. However, the mere existence of a federal loan, regardless of the status, must not impact ITA eligibility determinations.

Awarding an ITA

The participant must complete the ITA Packet (example in Attachment I) that includes, but is not necessarily limited to, the following information:

- Cost/price analysis
- Schedule
- Technical skills of staff, facilities and materials
- Information on the career outlook
- Course prerequisites
- Book list, tools, supplies, training materials/kits, etc.
- Job placement information
- Wage information
- Type of completion certificate granted
- Skills expected to be achieved
- Potential jobs and businesses that employ people with similar skills (3 informational interviews)

The participant must complete a training budget that includes monthly income, any scholarships or other forms of revenue, monthly expenses and expected training costs. Service providers are highly encouraged to use the budget planning tools available in CalJOBS.

ITA Authorization

ITAs must be approved by a Program Manager or designee prior to issuance.

ITAs are authorized only for training programs listed on the ETPL, as required in WIOA Section 134(c)(F)(iii). ITA funds are paid directly to the training provider.

ITAs may be used for pre-apprenticeship programs however, only pre-apprenticeship programs listed on the ETPL may be approved.

ITAs may be authorized for training programs in other states or online training if the training program is listed on the ETPL or there exist reciprocity agreements with other states.

ITAs are not authorized for individualized career services such as short-term prevocational training. Short-term prevocational services may include the development of learning skills, communication skills, interviewing skills, punctuality, personal maintenance skills, professional conduct, or other nonoccupation-specific topics that are intended to prepare individuals for unsubsidized employment or training and should not exceed 40 hours of instruction except in documented special circumstances.

ITA Funding Limit

The limit for ITA agreements is \$10,000. If service providers need increase the limit of an ITA, they must receive approval from the WDBVC. Documentation of the WDBVC's approval authorizing the ITA increase must be included in CalJOBS case notes.

The maximum ITA limit is not an entitlement. The amount and duration of each participant's ITA award is determined on an individual basis. Funding amounts will consider the total costs of the selected training program, any other financial assistance available to the participant, and the funding available to the Adult, Dislocated Worker or Youth Programs.

The ITA funding can only include the cost of training services such as instructor salaries and benefits, classroom space, instructional materials, tuition, books, individual materials, supplies, tools, and equipment.

An ITA may fund prerequisite training to a vocational training program if it is required by the educational institution.

ITA Continued Funding

Continued funding of an ITA is contingent on availability of WIOA funds and on the participant's satisfactory progress in school. Service provider staff will review the participant's training progress and expenses quarterly or more frequently depending on the training institution's schedule. An individual's progress will be considered satisfactory upon earning:

- A grade point average that does not fall below 2.0 for two consecutive terms; or
- A grade point average enough to graduate from, or receive certification in, the individual's approved area of study; or

- Enough credit hours to finish the approved course of study within the timeframe established under the approved training plan.
- In the case of self-paced or ungraded learning programs, satisfactory progress means participating in classes and passing certification examinations within the timeframe established under the approved training plan.

Service provider staff must arrange to receive training progress reports (i.e. transcripts) from participants in adequate time to process the subsequent tuition payment and kept in the file.

Service provider staff must develop with participants who are not earning satisfactory progress in their coursework, a service strategy to overcome the barriers impacting progress. ITA funding may be terminated if participants do not earn satisfactory progress for two (2) or more consecutive school terms (i.e. quarters, semesters, etc.).

ITA Modifications

An ITA may be modified to ensure the individual attains their educational goals and subsequent employment. In some circumstances, such as when a program of training is removed from the ETPL, or when extraordinary program expenses develop, the participant and service provider staff must agree on whether to complete the plan of training with the existing provider, seek a similar program, or discontinue training. When a program of training is removed from the state ETPL, participants in that program can complete their training. However, an ITA should not be modified or extended for a participant beyond the original plan approval as it relates to a program of training that is no longer on the ETPL.

Any modifications to the ITA should be documented in case notes located in CalJOBS.

Recovery of Tuition Funds

In the event a participant discontinues training, the career planner must do due diligence to ensure the recovery of funds provided to training institutions. Service providers must verify the following:

- The refund policy of the training provider for early termination from the training program;
- A requirement for the training provider to notify the case manager of early customer dropout;
- The percentage of the advanced payment to be returned;
- Turnaround timeframe for the refund;
- Time spent in training before a refund will no longer be honored.

Participant File Documentation

Justification for, and continued funding of an ITA must be supported by the following documentation located in the CalJOBS participant file and in CalJOBS case notes:

1. Assessment results supporting the selected program of study. The assessment must support the need for training including a determination by a case manager that the participant will be unlikely or unable to obtain or retain employment that leads to self-sufficiency or higher wages from previous employment through career services alone; and that the selected program of study will result in employment leading to economic self-sufficiency or wages comparable to or higher than wages from previous employment;
2. Completed IEP/ISS documenting the selected program of study, anticipated and actual start/end dates and training outcomes;
3. Eligibility for other training grant funding;
4. Verification of FAFSA application and award status, if applicable. Authorization of the ITA and any approved increase or modification;
5. Documentation of the participant's willingness and ability to travel to locations outside of Ventura County if the selected training program and/or demand occupation is outside of Ventura County;
6. Case note documenting that the training provider is on the ETPL; and
7. Documentation of the participant's progress and/or grades.

On-the-Job Training

On-the-Job Training (OJT) is a training option that provides Employers the opportunity to train new employees (Trainees) on the specific knowledge or skills essential to the full and adequate performance of the job. OJT opportunities are formed through an agreement between the Employer and the Service Provider. The Service Provider provides the Employer with a partial wage reimbursement, typically up to 50 percent of the wage rate of the participant for the extraordinary costs of providing the training and supervision related to the training. However, Section 134(c) of WIOA authorizes local boards to reimburse employers up to a maximum of 75 percent of the wage rate of an OJT participant after considering factors listed at 20 CFR 680.730 and this policy.

OJT is a hire-first program. The Trainee begins their OJT as an employee of the company that has agreed to provide the on-site training and long-term employment upon completion of the OJT. The rate of pay, fringe benefits, periodic pay increases, and working conditions offered to the Trainee are the same as similarly situated employees in similar positions by the same Employer and are in accordance with Section 6(a)(1) of the Fair Labor Standards Act of 1938 (29.U.S.C. 206(a)(a) or the applicable state or local minimum wage laws.

On-the-Job Training must be provided through an agreement that provides a structured training opportunity for the OJT Trainee to gain the knowledge and skills to be competent in the job for

which they are hired. The agreement must be completed and signed by all parties before the OJT Trainee may begin the OJT training.

OJT may be sequenced with other WIOA program services such as work experience, classroom training or basic skills training.

For an example OJT Toolkit from the Department of Labor, click [here](#).

Participant Eligibility

OJT Trainees must meet program eligibility requirements for each funding source, i.e. WIOA Adult, Dislocated Worker or Youth formula funded programs. Trainees must have received a documented assessment that results in the development of an IEP/ISS that documents the participant has the interest, aptitude and skills to meet the specific Employer OJT requirements.

OJTs for Employed Workers

OJTs may be written for eligible employed workers when:

- The employee is not earning a self-sufficient wage (defined in [WDB Policy 2019-12 - WIOA Title-I Eligibility](#));
- All other requirements of this policy are met; and
- The OJT relates to the introduction of new technologies, introduction to new production or service procedures, upgrading to new jobs that require additional skills, or workplace literacy. (20 CFR. 680.710)

Employer Eligibility

OJT Employer:

- Must be registered with the Internal Revenue Service (IRS) and have an account with the California Employment Development Department for Unemployment Insurance and carry Workman's Compensation Insurance. (20 CFR 683.280)
- Must have operated in Ventura County for a minimum of 120 days and be current in unemployment insurance and workers' compensation taxes, penalties, and /or interest or related payment plan.
- Must be financially solvent to meet the OJT agreement obligations through the end of the training and for the participant's 12 month follow up period; have adequate payroll record keeping systems that track hours worked, gross pay, deductions and net pay.
- Must not have relocated within the last 120 days, where relocation resulted in the loss of employment at the prior location. (20 CFR 683.260)

- Shall not displace any currently employed worker or alter current workers' promotional opportunities. Nor have terminated any regular employee or otherwise reduced the workforce to hire OJT Trainees. (20 CFR 683.270)
- Must not be involved in a labor dispute or have workers currently in a layoff status or laid off workers over the past 120 days from the same or any substantially equivalent job. The period of 120 days may be waived if there are mitigating circumstances reviewed and approved by a Program Manager or designee.
- Must not impair existing agreements for services or collective bargaining agreements. Must gain written concurrence with the appropriate labor organization before the OJT can begin if the OJT agreement would be inconsistent with a collective bargaining agreement. (WIOA Sec.181 (a)(2)(B). Additionally, the Employer must attest that the OJT agreement would not assist, promote or deter union organizing (20 CFR 680.850).
- Must not allow OJT Trainees to work on the construction, maintenance or operation of any facility that is used for sectarian activities or as a place of worship (WIOA Section 188 (a)(3)).
- Must not illegally discriminate in training or hiring practices because of race, color, sex, national origin, religion, disability, political beliefs or affiliations, or age (WIOA Sec. 188(a)(3)).

OJTs must not be written with an employer who has previously exhibited a pattern of failing to provide OJT Trainees with continued long-term employment. (20 CFR 680.700(b))

Employer Reimbursement Rates

The employer reimbursement rates of the regular wages earned for OJTs range from a minimum of 50 percent to a maximum of 75 percent. The reimbursement rate is based on the total size of the employer as follows:

- A maximum of 50 percent for large employers defined as having 100 or more employees
- A maximum of 65 percent for medium size employers defined as having 20-99 employees and
- A maximum of 75 percent for small employers with a workforce of 1-19 employees

In limited circumstances, regardless of the size of the employer, the reimbursement may be up to 75 percent with written approval of the WDBVC Executive Director.

Regardless of the reimbursement rate, the following factors must be considered prior to approving an OJT:

1. The characteristics of the participant(s) with an emphasis on barriers to employment as defined in WIOA Section 3(24);
2. The quality of employer-provided training (e.g., an industry recognized credential, advancement opportunity);

3. The number of participants the employer agrees to hire;
4. The wage and benefit level of the participant (both during and after completion of the OJT);
5. The OJT position is an in-demand occupation as defined by WIOA Section 3(23) and determined by EDD labor market information;
6. The OJT employer is:
 - a. In an in-demand industry as defined by WIOA Section 3(23) and determined by EDD labor market information; or
 - b. In an in-balance industry as determined by EDD labor market information; or
 - c. In a declining industry, but there are compelling reasons (e.g., evidence of long-term viability of the employer) justifying reimbursement above 50 percent;

Each of the above factors leading to the approval of an OJT must be documented and placed in the agreement file.

Registered Apprenticeship Programs

OJT agreements may be written with registered apprenticeship programs or participating employers in registered apprenticeship programs for the on-the-job training portion of the registered apprenticeship program.

The OJT Agreement

Every OJT opportunity will include an agreement with the Employer and a Training Plan for the Trainee (example in Attachment II). The agreement must include the requirements of WIOA rules and regulations; the occupation, skills and competencies to be learned; and the length of time the training will be provided. Agreement modifications must be in writing, signed and dated by all parties prior to the effective date of the modification. Verbal modifications are not valid.

Cost Per Participant

Subject to funding availability and the OJT Trainee's needs, the WDBVC limits the training costs to \$10,000. Training costs more than this limit may be approved by the WDBVC, under special circumstances. Regardless of the hourly wage, training duration is limited to not less than four (4) weeks and not more than 26 weeks.

Participants who have utilized the maximum ITA amount may also qualify for an OJT with training cost and duration limits described above.

Overtime Hours for OJT

OJT payments may only be paid for regular wages paid by the employer. Payment may not be based on overtime, shift differential, premium pay and other non-regular wages. This does not

preclude a participant from working overtime; however, the reimbursement to the employer must be based on the regular wage rate.

Participant Case File

All documentation relative to the selection of a candidate for an OJT opportunity and the development and maintenance of the participant's OJT Training Plan should be included in the participant hard or CalJOBS case file. Participant files must be available to federal, state, and local monitors for compliance review.

Employer Files

Service Providers are required to keep an individual file for each OJT Employer which includes documenting employer eligibility. Employer files must be available to federal, state, and local monitors for compliance review. Employer files may be electronic.

Monitoring

Monitoring at the local, state and federal level will include the Service Provider's oversight of the participant training and corresponding employer payroll records.

On-site monitoring visits should be conducted by the Service Provider shortly after the OJT Trainee begins work, with additional visits scheduled at appropriate intervals (determined by length of OJT Training Plan).

Effective monitoring also includes desk review of correspondence from the employer, including OJT reimbursement invoices and required documentation to support those invoices.

Service Providers must regularly review each Trainee's progress in meeting program and service strategy objectives, including the Trainee's acquisition of basic/occupational skills and the adequacy of supportive services provided as related to OJT.

Any deviations from the OJT Agreement should be dealt with and documented promptly.

Customized Training and Incumbent Worker Training

Customized Training (CT) is designed to meet the unique training needs of a business or a group of businesses. CT can be used for training prospective new or existing workers (referred to as Incumbent Worker Training or IWT). Upon entering in an agreement, the business commits to hire or—in the case of incumbent workers—retain individuals who successfully complete the training. CT/IWT targets workers who need training and prepares them for Ventura County's in-demand occupations. CT/IWT is business-driven where the employer, not the worker, selects the training provider. Workers benefit by learning new skills and obtaining or retaining employment after successful training completion.

The training may be conducted by the employer or the employer may select a third-party training provider. CT/IWT methods include, but are not limited to:

- Classroom training through a traditional classroom setting with a group of trainees and a qualified instructor;
- Laboratory training with hands-on instruction or skill acquisition under direct guidance of a qualified trainer;
- Electronic- or computer-based training delivered through a computer program at a pace set by the trainee or through video conferences that are live, interactive instruction with a trainer;
- Simulated or actual jobsite instruction (e.g., job shadowing);
- Standard “off-the-shelf” training that meets the training needs of the employer; or
- Other training that is customized to the employers’ specific training needs.

Eligibility for CT

CT for prospective new workers is available to WIOA eligible Adult and Dislocated Worker customers. With respect to training services funded by WIOA adult funds, priority of service must be provided to individuals of public assistance, other low-income individuals, or other individuals who are basic skills deficient. Priority of service status is established at the time of eligibility determination and does not change during the period of participation. Individuals must meet the financial need requirement of being unable to obtain grant assistance from other sources to pay partial or full costs of such training.

Eligibility for IWT

For an employer to receive IWT funds, the individual(s) participating in the IWT must meet the following:

- Be employed or existing workers.
- Meet the Fair Labor Standards Act requirements for an employer-employee relationship.
- Have an established employment history with the employer for six months or more. This may include time spent as a temporary or contract worker performing work for the employer. It should be noted that an individual is not held to the six-month employment requirement if the IWT is being provided to a cohort of employees. In this instance, not every employee must meet the employment history requirement if many of the employees being trained do meet the requirement.

[Reference: Title 20 CFR Section 680.780]

An eligible individual participating in IWT is not required to meet the eligibility requirements for the Adult or Dislocated Worker program, unless they are also co-enrolled as a participant in the WIOA Adult or Dislocated Worker program and will receive WIOA funded services in addition to the IWT.

Employer Eligibility Criteria

The following factors must be considered when determining the eligibility of employers to receive the WIOA share of funds to provide training to incumbent workers using either Adult and/or Dislocated Worker formula funds:

1. The characteristics of the incumbent workers to be trained and how they would benefit from retention or advancement. Consideration should be given to employers who propose to train individuals with barriers to employment as defined in WIOA Section 3(24);
2. The quality of training. Whenever possible, the training should allow the participant to gain industry-recognized training experience and/or lead to industry-recognized credentials and/ or an increase in wages;
3. The number of participants the employer plans to train or retrain;
4. The wage and benefit levels of participants (before and after training);
5. The occupation(s) for which incumbent worker training is being provided must be in demand;
6. The employer is:
 - a. In an in-demand industry as determined by EDD labor market information; or
 - b. In an in-balance industry as determined by EDD labor market information; or
 - c. In a declining industry, but there are compelling reasons (e.g., evidence of long-term viability of the employer) justifying investment in incumbent worker training.
7. The employer must not have laid off workers within 120 days to relocate to California from another state;
8. The employer is current in unemployment insurance and workers' compensation taxes, penalties, and/or interest or related payment plan.

Each of the above factors leading to the approval of a CT/IWT training project with an employer must be documented and placed in the agreement file.

Funding for IWT

IWT is part of a comprehensive business engagement strategy designed to meet the special requirements of an employer (including a group of employers) to upskill current employees. To implement this strategy, Local Boards can use up to 20 percent of their Adult and Dislocated Worker formula allocations for IWT activities. This 20 percent can only be used for programmatic activities and cannot be used for administrative functions.

Generally, IWT should be provided to private sector employers, but there may be instances where non-profit and local government entities may receive IWT funds. For example, IWT funds may be used in the health care industry where nursing upskilling opportunities are available in a hospital operated by a non-profit organization.

Under WIOA, layoff aversion is now a required Rapid Response activity (Title 20 CFR Section 682.330). Local Boards can leverage Rapid Response funds by including IWT as part of a robust layoff aversion strategy for the Local Workforce Development Area (Local Area). Local Boards have flexibility to determine which strategies and activities are applicable in each situation, based upon the specific needs, policies, and procedures within the state and Local Areas.

The WIOA defines IWT as a business service, therefore, the delivery of IWT does not require the use of an Individual Training Account or that the training program be listed on the Eligible Training Provider List.

Employer Share

Employers participating in CT/IWT are required to pay the non-WIOA (non-federal) share of the cost of providing training.

The employer share is based on the total size of the workforce (wages paid to the participant while in training can be included as part of that share and the share can be provided as cash or in-kind that is fairly evaluated) as follows:

- 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.
- At least 50 percent of the cost for employers with more than 100 employees.

Employer cost share contributions must be tracked and documented in the agreement file. In addition, the methodologies for determining the value of in-kind contributions must be documented in the agreement file and conform to cost sharing requirements.

[Reference: WIOA Section 134(d)(4)(C)-(D)]

The CT/IWT Agreement

Every CT/IWT opportunity will include an agreement with the Employer and a Training Plan for the Trainee (example in Attachment III). The agreement must include the requirements of WIOA rules and regulations; the occupation, skills and competencies to be learned; and the length of time the training will be provided. Agreement modifications must be in writing, signed and dated by all parties prior to the effective date of the modification. Verbal modifications are not valid.

Tracking IWT Expenditures

The EDD Workforce Services Branch's Financial Management Unit (FMU) is tasked with keeping track of IWT expenditures to ensure Local Boards do not exceed the 20% allowance for IWT. FMU has updated the expenditure reports the sub-recipients use to include a line item for IWT. Each quarter, FMU compiles a report for the Local Boards that details where they stand regarding

these expenditure levels. An example of the updated expenditure reports can be found as attachments to WSD16-13 (PDF).

Note – IWT expenditures can be counted toward the training expenditure requirement in WSD18-10 (PDF). The employer contributions for IWT can be counted as leveraged dollars.

Participant Case File

All documentation relative to the selection of a candidate for a CT/IWT opportunity and the development and maintenance of the participant's CT/IWT Training Plan should be included in the participant hard or CalJOBS case file. Participant files must be available to federal, state, and local monitors for compliance review.

Employer Files

CT/IWT Service Providers are required to keep an individual file for each CT/IWT Employer which includes documenting employer eligibility. Employer files must be available to federal, state, and local monitors for compliance review.

IWT Performance and Reporting Requirements

Since eligibility for IWT is determined at the employer level (not the individual level), the Department of Labor (DOL) does not consider individuals in IWT to be a participant in the Adult and/or Dislocated Worker program. Individuals who only receive IWT are not included in the WIOA Adult or Dislocated Worker program performance calculations. However, the DOL requires Local Boards and the State to report certain participant and performance data on all individuals participating in IWT. The required information for these individuals is limited to demographic information, and information necessary to calculate employment in the 2nd and 4th quarters after exit, median earnings in the 2nd quarter after exit, measurable skill gains, and credential attainment. For calculating these metrics for IWT-only individuals, the exit date is the last date of training, as indicated in the training agreement.

To reduce the reporting burden on employers and the Local Boards, the DOL encourages the collection of Social Security Numbers (SSNs) as part of the training agreement with the employer. For all individuals where an SSN is collected, the EDD will conduct a base wage match to obtain their employment and earnings. For those individuals that have a pseudo SSN, it is the Local Board's responsibility to provide supplemental data. Additionally, it is the Local Board's responsibility to capture and enter credential information into CalJOBS for each IWT individual.

Note – If the individual in IWT becomes a participant in the Adult or Dislocated Worker program at any point, they are included in performance calculations for the core program that provides additional services.

IWT and CalJOBSSM

All recipients of IWT must be reported to DOL, regardless of whether they become a participant in one of the other WIOA programs. Individuals who participate in IWT must be registered in CalJOBS, and do the following:

- Title I – Workforce Development application with an Incumbent Worker eligibility date entered. The application and eligibility requirements for the IWT eligibility is truncated and requires minimal information.
- On the Eligibility Summary tab of the Title I application:
 - Set “Incumbent Worker Eligibility” to yes.
 - Add the appropriate IWT grant code, then select [Finish] to save the application.
- CalJOBS Activity Code 308 – IWT should be added to the application and associated to the appropriate funding stream for the duration of the IWT. If utilizing WIOA formula funds, staff must associate grant code 2284 – Incumbent Worker Training Formula to the 308 – IWT activity code.

Staff must ensure that the employer participating in IWT is registered as a preferred employer (recruiting employer) in CalJOBS, and the CalJOBS Activity Code E68 – IWT is added to the employer’s account.

Monitoring

For program and financial compliance, monitoring must take place at the end of training. Monitoring allows the WDBVC to determine if outcomes agreed upon in the Training Plan were met and that the employer non-federal share is still appropriate and has been met accordingly.

Monitoring shall be documented during onsite monitoring and using CalJOBS Case Notes. When performing the monitoring of CT/IWT, staff must verify and obtain copies of all applicable paperwork to support the information being reviewed.

For the completion of training, a list from the training facility stating who completed training and what credential was obtained or copies of the actual credential and/or certificate of completion, may be used to document completion and credential attainment.

For the increase in wages, copies of payroll documents shall be obtained.

To document layoff aversion, payroll documents confirming the trainee(s) continues to be employed shall be obtained.

To evaluate an employer’s performance to determine suitability for future agreements, ascertain the following:

- Did monitoring identify training as poor or incomplete;

- Was there an increase in wages after training;
- Was the participant dismissed after training or during the follow-up period; and
- Were there any participant or employer grievances?

ACTION

Bring this policy to the attention of all affected staff.

INQUIRIES

Inquiries regarding this policy can be addressed to the WDBVC at 805-477-5306.

/S/ Rebecca Evans, Executive Director
Workforce Development Board of Ventura County

ATTACHMENTS:

- Attachment I - Sample ITA Packet
- Attachment II - Sample OJT Packet
- Attachment III - Sample CT/IWT Packet