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AB - # 17:50  
Effective Date: May 2017  
(Revision to AB - # 50; effective: 3/10/2005)  
Re-Issue Date: 5/10/2017

## **ACTION BULLETIN**

**TO:** All Sub-Contractors

**DATE:** May 2017

**SUBJECT:** Customized Training/Incumbent Worker Training Program Policy & Employer Contribution

### **Purpose of Bulletin:**

To provide policy and guidance to all sub-contractors initiating customized or incumbent worker training programs for an employer or group of employers. The policy and guidance will include:

1. Definition of customized training
2. Eligibility requirements for customized training
3. Residency requirements for customized training
4. Self-sufficiency threshold requirements for customized training

Changes to the current policy will be highlighted in bold.

### **CITATIONS:**

Action Bulletin #50 - Customized Training Policy March 10, 2005 (Superseded)

Action Bulletin #53 - WIA Self-Sufficiency Threshold July 1, 2005

Department of Labor Employment and Training Administration (DOLETA) Federal Register

TEGL 01-15

WSD 14-16

Workforce Innovation and Opportunity Act (WIOA) Section 3 [14] – Defines customized training

WIOA Section 134 (c)(3)(E)

## **BACKGROUND:**

The Workforce Innovation and Opportunity Act provides for the local Workforce Development Board to establish policies and procedures for customized and upgrade training for incumbent workers. The enactment of WIOA did not all-inclusively extend waivers approved under WIA. As a result, the customized training employer contribution will revert to the mandated 50% contribution for all businesses regardless of size. The 50% contribution level will remain in effect, until DOL writes a waiver policy under WIOA.

The WIOA Section 3 [14] define “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; and
3. For which the employer must pay a significant portion of the cost of training, as determined to be 50% by the local board on September 10, 2015.

## **ACTION**

These policies are being transmitted to all sub-contractors and should be distributed to the appropriate staff for implementation.

### **WIOA FORMULA FUNDS** **CUSTOMIZED OR INCUMBENT TRAINING PROGRAM** **POLICY**

*Since some employers overlap Workforce Development Board (WDB) jurisdictions, training activities should be developed regionally by involving the other three WDBs in the EASTBAY Works area as appropriate.*

#### **Funding for Customized/Incumbent Worker Training:**

Customized training/incumbent worker training may be funded with WIOA adult funds for adult participants, and WIOA dislocated worker funds for dislocated worker participants. Customized training 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. Incumbent worker training must be for employed workers earning at or below the self-sufficiency threshold of \$24.10 per hour.

#### **Project Focus:**

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

1. A business that is engaged in one of the WDB priority industry sectors

2. A business that proposes an upgrade in employee skills
3. A business that proposes an increase in employee skills and 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. Employer 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 conducted with employer 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 device under the Customized/Incumbent Workforce Development Program, if the assessment leads to new or incumbent workers being trained within the project, is allowable. However, an assessment device in-and-of-itself is not allowable.

**Requirements for the business:**

1. The entity 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. The emphasis will be on making customized training investments in high growth/high value industries and the WDB priority industry sectors.
4. A maximum funding level for a business would be \$37,500 of WIOA formula contribution (total for all grants in one program year).
5. A lifetime maximum for a business would be \$50,000 total WIOA formula contribution.
6. The business facility where the employees are to be trained must be located in the Alameda County Workforce Development Area.
7. Businesses must be stable as illustrated by the fact that they have been operating in the Alameda County Workforce Development Area during the entire 12 month period immediately preceding the date of application.
8. The business must be current on all state, county, city and local tax obligations.
9. The business will consider the hiring of unemployed adult and/or dislocated workers who lack some of the skills needed to meet an employer's or industry's needs.

**Requirements for the employees:**

1. Training would be provided to new hires or incumbent workforce.
2. Training would be provided for full-time employees as defined by the industry.
3. Employees must be considered permanent as defined by the industry.
4. Funds awarded for a project will be expended on program activities for the Alameda County Workforce Development Area and employees trained will work in the Alameda County Workforce Development Area upon completion of training.
5. Employees must meet all the WIOA formula funds eligibility requirements of the Alameda County Workforce Development Area.
6. There will be the ability to serve employees who have not been enrolled into WIOA and are not case managed.
7. Incumbent workers, employed at time of application, must be earning at or below the self-sufficiency threshold of \$24.10 per hour to participate in training.

**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.
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

The effective end date of the customized training/incumbent worker training policy should align with the current request for proposal cycle which ends June 30, 2017. In addition, as information occurs regarding the status of local economic conditions, adjustments to priority sectors, staff reserves the right for future amendments to the policy.

**INFORMATION & INQUIRIES**

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