

INCUMBENT WORKER TRAINING POLICY AND PROCEDURES

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I. INTRODUCTION

Under WIOA (Workforce Innovation and Opportunity Act), Incumbent Worker Training (IWT) provides both workers and employers with the opportunity to build and maintain a quality workforce and increase both participants' and employers' competitiveness. IWT is a type of work-based training and upskilling designed to ensure San Diego workers can acquire and develop the skills necessary to avert layoff or increase the skill levels of employees so they can be promoted within the company and create backfill opportunities for employers.

This policy provides guidance and establishes the procedures regarding Incumbent Worker Training (IWT) as part of comprehensive regional sector pathway programs and strategies for developing a skilled workforce and income mobility. This policy applies to all relevant parties and is effective immediately.

II. INCUMBENT WORKER TRAINING ELIGIBILITY

An "Incumbent Worker" is defined as an individual who has an established employment history with the employer for six months or more. The individual's six-month work history must be documented. The IWT contract must include the six-month work history requirement as a term of the contract.

The following characteristics define IWT:

- Conducted with a commitment by the employer to retain employees, avert the layoff(s) of the incumbent worker(s) trained for six months after training completion, 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 employer's need. (Reference 20 CFR 680.790)
- The number of participants the employer plans to train or retrain (minimum of 3).
- The employees' advancement opportunities, along with wages and benefits (both pre-and post-training earnings)
- The existence of other training and advancement opportunities provided by the employer.
- Credentials and skills gained as a result of the training.
- Layoffs averted as a result of the training.
- Utilization as part of a larger sector and/or career pathway strategy.

IWT means training by an employer, or training provider in close partnership with an employer, who is provided to a paid participant while engaged in productive work in a job that:

- a) Provides knowledge or skills essential to the full and adequate performance of the occupation.
- b) Provides reimbursement to the employer for the costs of providing the training and additional supervision related to the training; and
- c) It is limited in duration as appropriate to the occupation for which the participant is being trained.

A maximum of 20% of the overall WIOA adult and dislocated worker funds allocated to the San Diego Workforce Partnership may be reserved and spent on Incumbent Worker Training.

The following sections list the requirements for the Employers and Trainees for IWT.

A. PARTICIPANT ELIGIBILITY

Under the WIOA (Workforce Innovation and Opportunity Act) there are two levels of services: Basic and Individualized services. Per 20 CFR 680.780, an incumbent Worker does not necessarily have to meet the eligibility requirements for WIOA (Workforce Innovation and Opportunity Act) individualized services such as training services for the Adult or Dislocated Worker Program, unless they are also enrolled as a participant in the WIOA Adult and Dislocated Worker program.

For an individual to qualify for IWT under the WIOA guidelines, he/she must:

- Be employed;
- Have an established employment history with the employer for six (6) months or longer; and
- Meet the Fair Labor Standards Act requirements for an employer-employee relationship.

B. EMPLOYER ELIGIBILITY

The following employer criteria must be assessed to determine appropriateness and allowability for incumbent worker training:

1. The characteristics of the incumbent workers to be trained, specifically the extent to which they historically represent individuals with barriers to employment as defined in WIOA sec. 3(24), and how they would benefit from retention or advancement.
2. The quality of the training (e.g., industry-recognized credentials, advancement opportunities).
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 as defined by WIOA sec. 3(23) and as determined by workforce development area-specific labor market information.
6. The employer:
 - a) Is in an in-demand industry as determined the Workforce Partnership; or
 - b) It is in a declining industry, but presents compelling reasons (e.g., evidence of long-term viability of the employer) justifying investment in incumbent worker training.
 - c) Must not have laid off workers within 120 days (about 4 months) to relocate to San Diego from another state.
 - d) Must be current in unemployment insurance and worker's compensation taxes etc.

1. Conflict of Interest

No grantee, contractor, sub-grantee, or sub-contractor will engage in any conflict of interest, real, implied, or apparent, in the selection, award or administration of a WIOA funded contract or grant. IWT contracting must be conducted by training professionals and employers in an objective and independent way of personal interests.

C. OCCUPATIONAL ELIGIBILITY

IWT funding must be used on in-demand occupations which lead to employment opportunities enabling the participant to become economically self-sufficient and which will contribute to the occupational development and upward mobility of the participant. Refer to **ATTACHMENT – IN-DEMAND OCCUPATIONS LIST**.

At the time of completion of the IWT program, individual(s) must be employed in occupations that meet the following criteria:

- Hourly wage must be at or above the self-sufficiency wage (as determined by the Workforce Partnership) or the employee's wage must increase as a result of the IWT.
- The occupation must be a full-time permanent position following the training (minimum of 32 hours per week).

III. INCUMBENT WORKER TRAINING REQUIREMENTS

An employer orientation must be completed with each employer and/or employer representative to discuss the contract provisions and deliverables. The contract process sets the ground rules for IWT with an employer and ensures there is a legally binding agreement between the employer and the trainees.

A. INCUMBENT WORKER TRAINING DURATION

Duration must be limited to the time necessary for a participant to become proficient in the occupation for which the customer is receiving IWT

- Length of training should be based on individual assessments of the participant's background, skills, and barriers to employment.
- WIOA Title, I program services staff should consult with the employer and use the Occupational Information Network's (ONET) Specific Vocational Preparation Range (SVP) to determine the appropriate occupational training needed.
- Using the SVP provided by ONET, the following duration times are recommended in addition to the participant's past skill and experience.

B. INCUMBENT WORKER TRAINING LEVELS

Employers participating in Incumbent Worker Training must pay the non-federal share (or employer share) of the cost of training their incumbent workers. Employer size is determined by the number of employees at the time of the execution of the Incumbent Worker Training Agreement. Employer match outlined below:

- 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.

C. IWT ALLOWABLE COSTS

The Career Centers 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.

D. 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 employer determines the choice and method of training.

E. TRAINING METHOD

The following are types of training methods allowable for IWT:

- Classroom training is instruction in a classroom 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 or 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/online seminar.

IV. DEVELOPMENT OF THE TRAINING AGREEMENT

Each IWT will be assigned a project management team. This team will consist of The Training Development Coordinator/Business Service Representatives, Career Navigator, Eligibility Specialist, Training Find Coordinator and Sector Initiatives lead when applicable.

A. TRAINING AGREEMENT NUMBER

When a training opportunity has been developed, the Training Development Coordinator or Business Service Representative shall request a vendor ID via email:

newvendorsetup@workforce.org.

New Vendor (Training Provider or Employer)

For a new Training Provider or Employer, a vendor ID shall be requested from the Training Development Coordinator or Business Service Representative via email to newvendorsetup@workforce.org by sending a completed **ATTACHMENT – NEW VENDOR REQUEST FORM**, found in the **Chapter 6, Financial Management**. Please allow up to three (3) business days to receive a new vendor ID.

A new vendor request **MUST** include the following:

- **ATTACHMENT – NEW VENDOR REQUEST FORM;**
 - W9; and
 - Attachment - EO WIOA Section 188 EEO Compliance checklist, found in the **Chapter 8, Oversight and Monitoring**.

Existing Vendor (Training Provider or Employer)

For an existing Training Provider/Employer, the Training Development Coordinator or Business Service Representative must request an agreement number for each IWT via email to newvendorsetup@workforce.org. Please allow up to two (2) business days to receive a new agreement number.

The following shall be used to assign Training Agreement numbers:

- Training Type + Vendor ID (4 digits) + sequence (3 digits)

IWT- Incumbent Worker Training	IWT-1234-001
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B. TRAINING AGREEMENT

The Training Development Coordinator/ Business Service Representative shall generate the **ATTACHMENT – TRAINING AGREEMENT** and obtain all the necessary signatures no less than 30 days prior to the start date of training and submit the completed training agreement to voucher@workforce.org.

In the event the training agreement has missing information or incorrect information, the Training Funds Coordinator will notify the Training Development Coordinator/ Business Service Representative via the Voucher Corrections Spreadsheet in SharePoint that the agreement is being returned listing the specific reason(s) for the return. The date of the TDC/BSR signature remains the driving date to determine the agreement due date. Within two business days of receipt of the complete and accurate agreement, the Training Funds Coordinator shall approve and forward the training agreement packet to the finance department.

C. CREATE A PROVIDER PROFILE IN CALJOBS

The Training Development Coordinator or Business Service Representative is responsible for

creating a profile for the employer in CalJOBS prior to the training start date.

Create a Provider Profile in CalJOBS

1. Search for Existing Provider (Training Provider/Employer)

The Training Development Coordinator or Business Service Representative shall search the Provider profile in CalJOBS.

- Log into CalJOBS with your provider access
- Select **Manage Providers** from the **Services for Workforce Staff** section of the navigational menu
- Select **Assist a Provider**
- Using the **Provider Name 1** field, search the name of the employer
 - Complete a thorough search to verify if the employer already exists prior to creating new provider profile

If the provider is found there is no need to create a provider profile. If the provider is not found the Training Provider/Employer must follow the steps in **ATTACHMENT – TRAINING PROVIDER INSTRUCTIONS** to create a provider profile.

D. CREATE THE PROVIDER PROGRAM (OCCUPATION INFORMATION)

The Training Development Coordinator or Business Service Representative shall input the provider program in CalJOBS (only required once per training). Refer to **ATTACHMENT – TRAINING PROVIDER INSTRUCTIONS** to create the provider program.

E. ACTIVITY ENROLLMENT SUMMARY

Once the participants start training, the Career Navigator is responsible for the following:

- Add appropriate training activity code in CalJOBS

Training Type	Activity Code
IWT- Incumbent Worker Training	308

- Enter the required (*) fields on each of the following tabs:
 - General Information
 - Service Provider
- On the **General Information** tab:
 - Actual Begin Date
 - Projected End Date
 - In the *Comments* field text box include:
 - Training Agreement Number
 - See Training Agreement Number below

EXAMPLE:

IWT-1234-001 Sector: Healthcare

- On the **Service Provider** tab:
 - Use the Program Portal to ensure selecting the correct training information (Training Provider and Training Program)
 - Select the Standard Occupational Code (SOC) based on the information found on the Partner Portal – program information

The Training Development Coordinator shall confirm that all IWT participants started training and notify the Career Navigator to document confirmation with the CalJOBS activity code and required

case note.

1. Case Notes

The following sample case note shall be used:

On [Date] I called [Name of Employer/Training Provider] to verify that [Name of Participant] started IWT program name on [Date]. I spoke with [Name of Contact and Contact's Title Name of Contact] verified that the participant began training program on intended start date.

If the participant's start date was different that the "projected start date" noted on the training agreement packet, a case note should be used to document the change and the reason for the change.

F. APPROVAL OF DELIVERABLES INVOICE

The Training Development Coordinator or Business Services Representative shall complete **ATTACHMENT – APPROVAL OF DELIVERABLES INVOICE** along with the employer/training provider for each deliverable and attach required supporting documentation for each participant enrolled in the IWT and submit to voucher@workforce.org.

Training Outcomes		
This training agreement will be performance-based to ensure that the program result in real outcomes for the participants. I understand that total payment for each deliverable will be prorated based on the number of participants that complete each deliverable. By entering into this agreement, I agree to the following deliverables:		
Deliverable	Description	IWT Funding Breakdown
Enrollment	# Of participants enrolled in WIOA and attended the first day of training. Submit the Expense Detail Distribution Form Details Deliverables File Supporting Documentation: submit a copy of the activity enrollment summary for each participant.	80%
Midpoint	Provide a midpoint progress report to career center staff Supporting Documentation: submit Attachment - Participant Evaluation and Progress Report Form for each participant.	10%
Completion	Certificate of Completion attainment. Supporting Documentation: submit a copy of the certificate/credential for each of the participants.	5%
Entered Employment	Placement in a related occupation. Supporting documentation: provide verification of employment.	5%

If the invoice has missing or incorrect information the Training Funds Coordinator shall notify the Training Development Coordinator or Business Services Representative via the **Voucher Corrections Spreadsheet** in SharePoint documenting that the Invoice has been returned and shall list the specific reason(s) for the return.

The Training Funds Coordinator shall forward the approved invoice to the Finance Department for

payment directly to the Training Provider or Employer, in full, within 30 days of receiving a final correct invoice.

V. PROGRESS REPORT & ATTENDANCE

The training provider must provide **ATTACHMENT – PARTICIPANT EVALUATION & PROGRESS REPORT FORM** on the participant’s progress and attendance to the Business Service Representative at midpoint of training or before the program year ends (June 30th) whichever comes first. If the participant fails to attend training, quits, or is terminated the employer must inform Workforce Partnership staff within three (3) days.

VI. TRAINING VOIDS AND DISCONTINUATIONS

Participants, at their right, may discontinue training at any point during the program. It is the responsibility of the staff and Training Provider/Employer to work with each participant and ensure their training needs are met. However, a participant may not switch to a different training and/or Training Provider/Employer under the same Training Agreement and may not be eligible for another training if they discontinue. Discontinuations will be evaluated on a case-by-case basis by The Workforce Partnership.

A. VOID

A training void occurs when a participant decides to forego training. A training void occurs when a participant does not start training and no costs are incurred.

Void Process

- If the participant has begun training and no costs have been incurred, the Supervisor shall submit a data change request (DCR) to have the activity code removed.
- A case note noting the void and the reason for discontinuation must be added to the participant’s profile in CalJOBS.

B. DISCONTINUATION

A training discontinuation occurs when a participant starts training and discontinues training. If the participant’s discontinuance is due to an unforeseeable emergency (e.g., illness, death) then the participant is eligible for reinstatement, based on approval.

Discontinuance Process

- Staff shall document the change and update the training status CalJOBS activity code.
 - If an Actual Start Date was entered in CalJOBS and no invoice was submitted, you must update the status in CalJOBS to **drop out of activity**, or
 - If an Actual Start Date was entered in CalJOBS and an invoice was submitted for payment, update the status in CalJOBS **unsuccessful completion**.
 - A case note noting the discontinuation and the reason for discontinuation must be added to the activity code.

C. MEMORANDUMS

The Training Development Coordinator/ Business Service representative shall submit a modification memo to the agreement if there have been any changes to the agreement, such as agreement number, start date of training, enrollment increase or decrease (only applicable prior to the start date), and budget amounts.

D. RECOVERY OF WIOA TITLE I TRAINING FUNDS

Training Providers/Employers must refund any training funds to the San Diego Workforce Partnership in cases where there is a, over-invoicing, or in cases of conflict of interest (Reference

the Workforce Partnership's Operations Manual Chapter 3). When issuing a refund Training Provider/Employer must notify the Training Funds Coordinator by sending an email to voucher@workforce.org. Send refunds to: **San Diego Workforce Partnership Attn: Accounts Receivable 9246 Lightwave Ave, Suite #210 San Diego, CA 92123** and include a copy of the training agreement and reference the training agreement number on the check.

VII. CALJOBS

All recipients of IWT must be reported to DOL (Department of Labor), regardless of whether they become a participant in one of the other WIOA TITLE I programs. Individuals who participate in IWT must be registered with 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.

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.

VIII. IWT PERFORMANCE AND REPORTING REQUIREMENTS

Since eligibility for IWT is determined at the employer level (not the individual level), EDD (Employment Development Department) 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, it is required for Business Services 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 1st, 2nd, 3rd 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 contract. To reduce the reporting burden on employers, EDD encourages the collection of Social Security Numbers (SSNs) as part of the training contract 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 Workforce Partnership's responsibility to provide supplemental data. Additionally, the Business Service staff must 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.

IX. REFERENCES

- WIOA EDD (Employment Development Department) Directive: [Incumbent Worker Training WSD19-01](#)
- WIOA Section 134(d)(4)(C)-(D)