



**Workforce Development Board
Business Services/CEDS Committee**
Wednesday, April 10, 2019
Cabrillo College, Sesnon House
6500 Soquel Dr., Aptos
3:00 p.m.

18 W. Beach Street
Watsonville, CA 95076
(831) 763-8900
www.santacruzwb.com

Agenda

- I. Call to Order/Welcome
- II. Public Comment
- III. Comments by Chair and WDB Director
- IV. Approval of Minutes from February 13, 2019 Business Services Committee meeting2-5
- V. Service Provider Activity Report
Eckerd (Workforce Services for Business)
SBDC (Layoff Aversion)
- VI. Informational Item
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- VII. Consent Item:
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C.2 Business Services Program Monitoring PY 18-1911
- VIII. Administration
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- IX. Chairperson's Report
- X. Adjournment

**Next WDB Meeting: Workforce Development Board Meeting
May 29, 2019 @ 8:30 a.m. Best
Western Seacliff Inn
7500 Old Dominion Ct.
Aptos, CA 95003**

**Next Committee Meeting:
August 7th, 2019 @
3PM, Location TBD**

**BUSINESS SERVICES/CEDS
COMMITTEE:**

Marshall Delk, Chair
Santa Cruz County Bank

Carol Siegel, Employment Manager
Santa Cruz Seaside Company

Elyse Destout, Vice-Chair
Photography by Elyse Destout

Casey Beyer, Executive Director
Santa Cruz Area Chamber of Commerce

Gerlinde Brady
Cabrillo College

Andy Constable
Economic Development Manager
Santa Cruz County

Jenny Haruyama, City Manager
City of Scotts Valley

Katie Herlihy
Community Development Manager
City of Capitola

Matt Huffaker, City Manager
City of Watsonville

Bonnie Lipscomb, Executive Director
City of Santa Cruz, Economic Development

Rob Morse, Manager
Pacific Gas and Electric Company

DIRECTOR:
Andy Stone

Santa Cruz County Workforce Development supports the Community by cultivating economic vitality and assisting Jobseekers by creating programs to train, educate, and support the workforce to develop key and timely skills. We assist Business to secure the talent they need to thrive now, and into the future.



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MINUTES

Chair Marshall Delk called the meeting to order at 3:05 pm, and a quorum was established.

Committee Members in Attendance

Beyer, Casey
Brady, Gerlinde
Delk, Marshall - Chair
Destout, Elyse – Vice Chair
Mason, Barbara – in for Andy Constable, Santa Cruz County
Morse, Rob
Unitt, Rebecca – in for Bonnie Lipscomb, City of Santa Cruz

Committee Members Absent

Constable, Andy
Haruyama, Jenny
Herlihy, Katie
Huffaker, Matt
Lipscomb, Bonnie
Siegel, Carol

Staff in Attendance

Barr, Belinda- WDB Business Services Manager
Gazza, Laurel – WDB Administrative Aide
Gray, Lacie – WDB Sr. Analyst
Stone, Andy – WDB Director

Guests

Brown, David – CAO Office
Cadenas, Maria – Santa Cruz Community Ventures
Elliott, Candice – Fortress and Flourish
Lingane, Alison – Project Equity
Teresa Thomae – Cabrillo College SBDC
Sharolynn Ullestad – WFSCC, Eckerd Connects

BUSINESS SERVICES/CEDS COMMITTEE:

Marshall Delk, Chair
Santa Cruz County Bank

Andy Van Valer, Vice Chair
SlingShotSV

Elyse Destout, Owner
Photography by Elyse Destout

Gerlinde Brady,
Cabrillo College

Andy Constable
Economic Development Manager
County of Santa Cruz

Katie Herlihy, Director of Community Development
City of Capitola

Matt Huffaker, Assistant City Manager
City of Watsonville

Bonnie Lipscomb, Executive Director
City of Santa Cruz Economic Development

Casey Beyer, Executive Director
Santa Cruz Area Chamber of Commerce

Jenny Haruyama, City Manager
City of Scotts Valley

Rob Morse, Manager
Pacific Gas and Electric Company

Carol Siegel, Employment Manager
Santa Cruz Seaside Company

DIRECTOR:
Andy Stone

Subject: Call to Order/Welcome

Discussion: Chair Marshall Delk called the meeting to order and mentioned that he needed to leave at 4:00 pm. He had members, staff and guests introduce themselves.

Subject: Public Comment

There was no public comment.

Subject: Approval of October 10, 2018 Business Services/CEDS Committee meeting minutes.

Action: It was moved to approve the October 10, 2018 Meeting Minutes.

Status: Motion to Approve: Rob Morse
Motion Seconded: Elyse Destout
Abstentions: None
Committee Action: All in favor, motion passed

Subject: VI. Consent Items:

**C.1 – Committee Dashboard
C.2 – Labor Market Information**

Action: It was moved to approve the Consent Items

Status: Motion to Approve: Elyse Destout
Motion Seconded: Rob Morse
Abstentions: None
Committee Action: All in favor, motion passed

Subject: VII. Presentation Item (taken out of usual agenda order)

Maria Cadenas, of Santa Cruz Community Ventures, and Alison Lingane, of Project Equity spoke with Committee members and guests about their collaboration of creating more opportunities for employee-owned businesses in Santa Cruz County, and the different types of business models.

Subject: V. Service Provider Activity Report (taken out of usual agenda order)

Sharolynn Ullestad, from Eckerd Connects gave the Committee and update on the current statistics related to businesses closing in the county, and Rapid Response efforts made to avoid layoffs. There were 12 businesses that they reached out to in Rapid Response efforts. There were 3 employers that are currently using OJT contracts. 76 total businesses were utilizing Workforce Business Services in some form. Barbara Pratt is the new Eckerd employee working with WEX worksites.

Teresa Thomae, Director of Small Business Development Council at Cabrillo College, mentioned her upcoming retirement in March 2019. She mentioned that efforts were currently being made to hire her replacement. She also stated that they had 7 outreach

events, 8 seminars for small businesses, 18 jobs retained, 2 success stories; and that they had met or exceeded all their contract parameters for this last quarter.

Subject: VIII. Administration Items:

A.1 – Committee Member Recruitment Update

Chair Marshall Delk stated that he wanted members, as an assignment, to come up with names of prospective new committee members, and be able to recruit them. WDB Director Andy Stone added that targeted industries are Tech, Agriculture, and Manufacturing.

Action: It was moved to accept the Committee Member Recruitment update.

Status: Motion to Approve: Rob Morse
Motion Seconded: Barbara Mason
Abstentions: None
Committee Action: All in favor, motion passed

A.2 – Committee Member/Jurisdictional Roundtable

Barbara Mason, Economic Development Coordinator from the County of Santa Cruz gave an update on the status of her current slate of projects; including: Chanticleer Townhomes project (22 units); Nissan Dealership court case resolution; Kaiser Permanente projects; Rancho Del Mar Center shell construction (near completion), Aptos Village project, Brookdale Lodge Phase II, 17th and Brommer project, and Toys R Us building backfill.

Rebecca Unitt, from the City of Santa Cruz spoke of the City Council focus on housing and homelessness, and evictions; collaboration with the County on homelessness and shutdown of the camp at the Gateway Center; downtown retail strategy, re-working the façade and signage program for corridor beautification; and the Mariannes' Ice Cream large facility project on the westside.

Gerlinde Brady of Cabrillo College GOAL gave a brief update on their efforts to build a strong Workforce Infrastructure focus on the campus.

Casey Beyer of Santa Cruz Chamber of Commerce noted that it was the 130th Anniversary of the SC Chamber, and that the Four Point Sheraton-Scotts Valley ribbon cutting, Tannery Arts Center Mega Mixer, and the Business Expo at the Cocoanut Grove were all upcoming in the next few weeks.

WDB Director Andy Stone discussed with the committee the Childcare Funding Partnerships being formed, and the re-commissioned State of the Workforce Report, which would now be compiled and presented by Beacon Economics.

Action: None, discussion item only.

Subject: VIII. Chairperson's Report – No report given, as Chair had to leave early.

Meeting adjourned at 4:40 p.m.

Next Meeting: **Workforce Development Board Meeting**
 Wednesday, March 27, 2019 @ 8:30 a.m.
 Seacliff Inn
 7500 Old Dominion Ct.
 Aptos, CA 95003

Business Services Committee Meeting
Wednesday, April 10, 2019 @ 3:00 p.m.
TBD location



☒Action ☐Consent ☐Information ☒Discussion

I.1 Labor Market Information

COMMITTEE: Business Services/CEDS Committee	MEETING DATE: April 10, 2019
STAFF NAME: Andy Stone - WDB Director, Laurel Gazza - Administrative Aide	

SUMMARY:

The current unemployment rate in Santa Cruz County was 6.7 percent in February 2019, up from a revised 6.5 percent in January 2019 (summary also attached), and unchanged from the year ago estimate of 6.7 percent. This compares with an unadjusted unemployment rate of 4.4 percent for California and 4.1 for the nation during the same period.

☒Attachment(s)

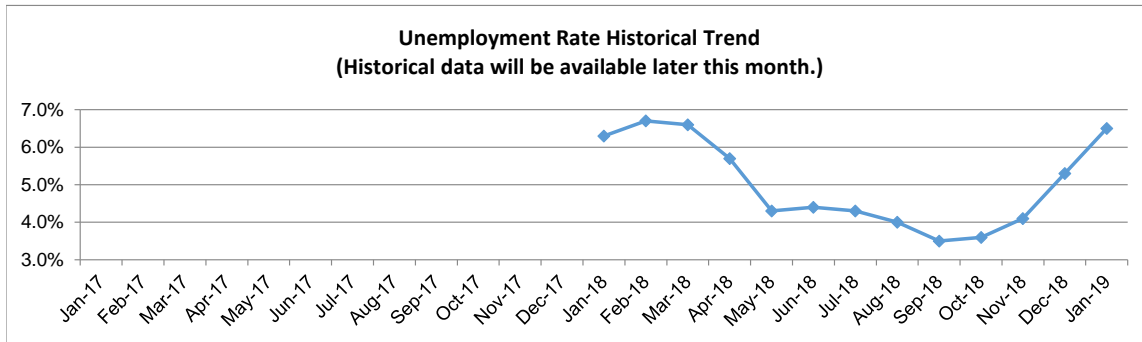
SUGGESTED MOTION: (if applicable)

N/A

COMMITTEE DATE	COMMITTEE APPROVAL: <input type="checkbox"/> Yes <input type="checkbox"/> No Other:
BOARD DATE	BOARD APPROVAL: <input type="checkbox"/> Yes <input type="checkbox"/> No Other:

IMMEDIATE RELEASE
SANTA CRUZ-WATSONVILLE METROPOLITAN STATISTICAL AREA (MSA)
(Santa Cruz County)

The unemployment rate in the Santa Cruz County was 6.5 percent in January 2019, up from a revised 5.3 percent in December 2018, and above the year-ago estimate of 6.3 percent. This compares with an unadjusted unemployment rate of 4.8 percent for California and 4.5 percent for the nation during the same period.

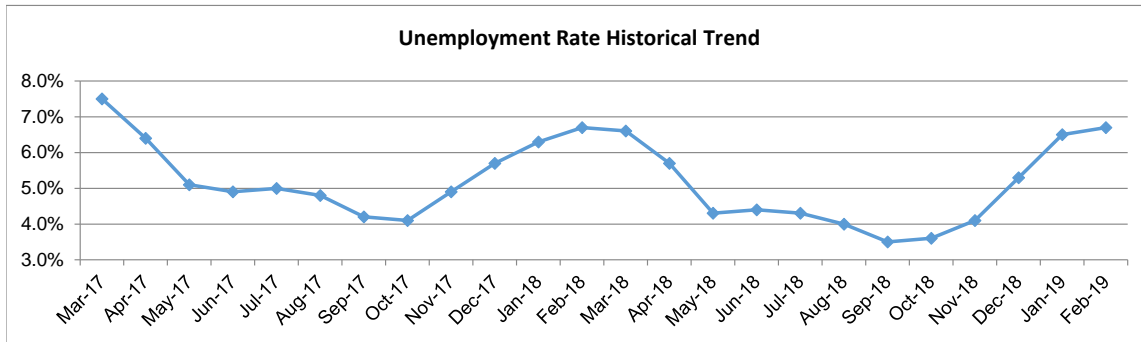


Industry	Dec-2018	Jan-2019	Change		Jan-2018	Jan-2019	Change
	Revised	Prelim				Prelim	
Total, All Industries	107,800	106,400	(1,400)		104,800	106,400	1,600
Total Farm	4,800	4,100	(700)		4,300	4,100	(200)
Total Nonfarm	103,000	102,300	(700)		100,500	102,300	1,800
Mining, Logging, and Construction	4,400	4,300	(100)		4,200	4,300	100
Manufacturing	7,400	7,300	(100)		7,000	7,300	300
Trade, Transportation & Utilities	17,400	16,700	(700)		16,600	16,700	100
Information	600	600	0		700	600	(100)
Financial Activities	3,500	3,500	0		3,500	3,500	0
Professional & Business Services	10,300	10,600	300		10,300	10,600	300
Educational & Health Services	17,900	17,900	0		17,700	17,900	200
Leisure & Hospitality	13,500	13,600	100		13,300	13,600	300
Other Services	5,200	5,200	0		4,900	5,200	300
Government	22,800	22,600	(200)		22,300	22,600	300

Notes: Data not adjusted for seasonality. Data may not add due to rounding
Labor force data are revised month to month
Additional data are available online at www.labormarketinfo.edd.ca.gov

IMMEDIATE RELEASE
SANTA CRUZ-WATSONVILLE METROPOLITAN STATISTICAL AREA (MSA)
(Santa Cruz County)

The unemployment rate in the Santa Cruz County was 6.7 percent in February 2019, up from a revised 6.5 percent in January 2019, and unchanged from the year-ago estimate of 6.7 percent. This compares with an unadjusted unemployment rate of 4.4 percent for California and 4.1 percent for the nation during the same period.



Industry	Jan-2019	Feb-2019	Change		Feb-2018	Feb-2019	Change
	Revised	Prelim				Prelim	
Total, All Industries	106,000	107,800	1,800		106,200	107,800	1,600
Total Farm	4,100	4,300	200		4,500	4,300	(200)
Total Nonfarm	101,900	103,500	1,600		101,700	103,500	1,800
Mining, Logging, and Construction	4,300	4,300	0		4,400	4,300	(100)
Manufacturing	7,200	7,400	200		7,100	7,400	300
Trade, Transportation & Utilities	16,700	16,900	200		16,700	16,900	200
Information	600	600	0		700	600	(100)
Financial Activities	3,500	3,500	0		3,500	3,500	0
Professional & Business Services	10,400	10,600	200		10,300	10,600	300
Educational & Health Services	17,900	18,200	300		17,800	18,200	400
Leisure & Hospitality	13,600	14,000	400		14,000	14,000	0
Other Services	5,200	5,300	100		5,000	5,300	300
Government	22,500	22,700	200		22,200	22,700	500

Notes: Data not adjusted for seasonality. Data may not add due to rounding
Labor force data are revised month to month
Additional data are available online at www.labormarketinfo.edd.ca.gov



☐ Action ☒ Consent ☒ Information ☐ Discussion

C.1 Business Services Provider Report

COMMITTEE: BS/CEDS Committee	MEETING DATE: April 10, 2019
STAFF NAME: Andy Stone, WDB Director; Belinda Barr, Business Services Manager	

SUMMARY:

Reports outlining each business services contractor's spend, performance and monitoring are attached.

☒ Attachment(s)

SUGGESTED MOTION: (if applicable)

COMMITTEE DATE	COMMITTEE APPROVAL: <input type="checkbox"/> Yes <input type="checkbox"/> No Other:
BOARD DATE	BOARD APPROVAL: <input type="checkbox"/> Yes <input type="checkbox"/> No Other:

C.1 Attachment 1

Workforce Services for Business WIOA Financial and Performance Report for Program Year 2018-19

Eckerd Business Services - Budget v. Expenditures (Through 2/28/2019)

Eckerd Modality 2	WIOA Adult	WIOA DW	WIOA Youth	Rapid Response	Total
Budget	\$25,000	\$25,000	\$25,000	\$25,000	\$100,000
Invoiced Amount	\$13,726	\$13,713	\$13,801	\$9,817	\$51,057
Percent Invoiced	54.9%	54.9%	55.2%	39.3%	51.1%
Remaining Budget	\$11,274	\$11,287	\$11,199	\$15,183	\$48,943

Eckerd Business Services - Contract Performance Objectives Q3 (Through 3/31/2019)

Eckerd Modality 2 Contract Outcomes	Actual	Annual Goal	% Achieved
Businesses Utilizing Incumbent Worker Training	0	2	0.0%
Businesses Utilizing Workforce Services	116	158	73.4%
Work Experience Sites	5	45	11.1%
On-the-Job-Training Enrollments	4	24	16.7%

Small Business Development Center (SBDC) Layoff Aversion - Budget v. Expenditures Q2 (Through 12/31/2018)

SBDC Layoff Aversion	Actual
Budget	\$44,000
Invoiced Amount	\$28,563
Percent Invoiced	64.9%
Remaining Budget	\$15,437

SBDC - Contract Performance Objectives Q3 (Through 3/31/2019)

SBDC Layoff Aversion Contract Outcomes	Actual	Annual Goal	% Achieved
Number of new at-risk businesses to be served	15	40	37.5%
Number of actual jobs retained or layoffs averted	32	60	53.3%



☒Action ☒Consent ☐Information ☐Discussion

C.2 WIOA Program Monitoring PY 2018-19

COMMITTEE:	Business Services/CEDS	MEETING DATE:	April 10, 2019
STAFF NAME: Andy Stone, WDB Director			

SUMMARY:

WDB Staff monitored the following WIOA Business Services contracts:

1. Eckerd - Workforce Services for Business
2. Small Business Development Center (SBDC) - Layoff Aversion

The monitoring includes the following:

- **Contract Questionnaire:** covers work environment, program and site accessibility, administrative requirements, staffing requirements, grievance, and program operations.
- **Financial Questionnaire:** covers fiscal management, program income, cost allocation, facilities and property, and audit.
- **Program Operations:** covers contractor specific operations, assessment, service delivery, and specific services.
- **Participant Questionnaire:** asks about services and recommendations from the randomly chosen participants, services important to the customer, and overall satisfaction with services on a 1-10 scale.
- **Financial Sampling:** A fiscal sampling review was conducted by Edwin Ogu, HSD Accountant for all programs. This is an annual review of program fiscal records.

Eckerd and SBDC each had one (1) finding. Next steps include the following:

- Submit the Corrective Action Plan as outlined (Eckerd, SBDC)
- Apply the internal protocols as developed. (Eckerd)
- Review during contract negotiations for PY 19/20 (Eckerd, SBDC)
- Review at the next annual monitoring visit. (Eckerd, SBDC)

The complete monitoring reports are available for your review at the following links:

Eckerd: <http://bit.do/eNqEC>

SBDC: <http://bit.do/eNqEL>

☒Attachment(s)

SUGGESTED MOTION: (if applicable)

I move to approve the monitoring reports as drafted by WDB staff.

COMMITTEE DATE	COMMITTEE APPROVAL: <input type="checkbox"/> Yes <input type="checkbox"/> No Other:
BOARD DATE	BOARD APPROVAL: <input type="checkbox"/> Yes <input type="checkbox"/> No Other:



☒Action ☐Consent ☐Information ☒Discussion

A.1 Committee Dashboard Metrics Review

COMMITTEE:	Business Services/CEDS	MEETING DATE:	April 10, 2019
STAFF NAME: Andy Stone, WDB Director; Belinda Barr, WDB Business Services Manager			

SUMMARY:

Attached, for review by the Committee, is the current Business Services/CEDS Committee dashboard, so that the Board members can discuss and decide what metrics and charts they wish to change or add to.

☒Attachment(s)

SUGGESTED MOTION: (if applicable)

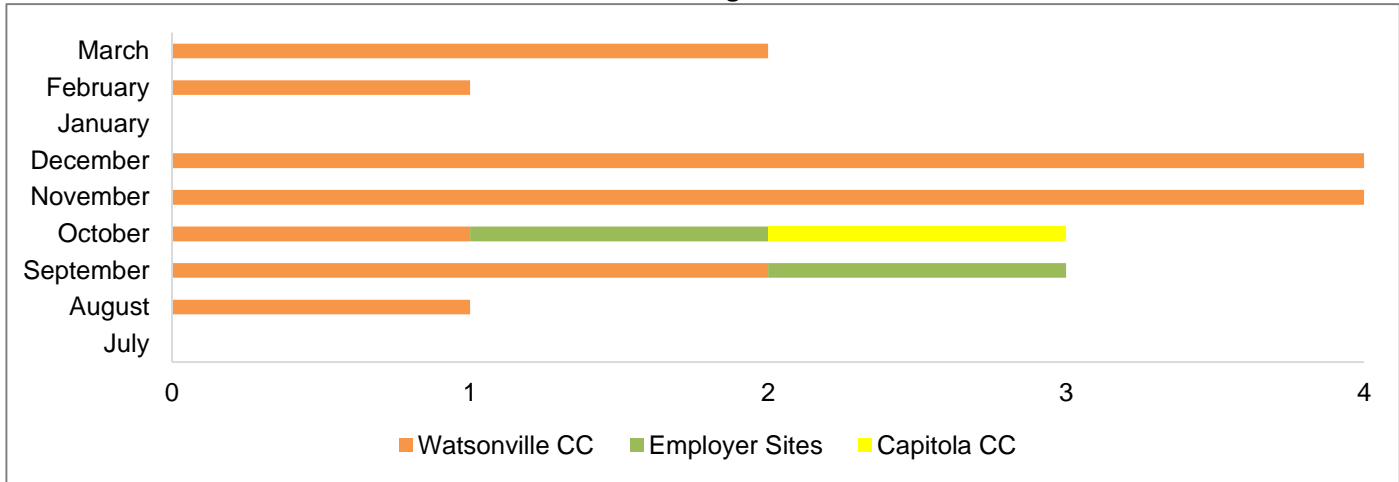
I move to accept the proposed changes to the Business Services/CEDS Committee dashboard, for future use.

COMMITTEE DATE	COMMITTEE APPROVAL: <input type="checkbox"/> Yes <input type="checkbox"/> No Other:
BOARD DATE	BOARD APPROVAL: <input type="checkbox"/> Yes <input type="checkbox"/> No Other:

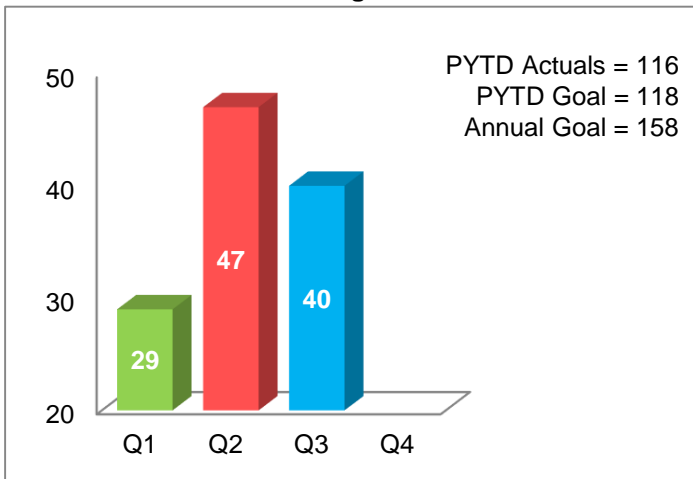


Program Year 2018-2019
July 1, 2018 - March 31, 2019 (thru Q3)

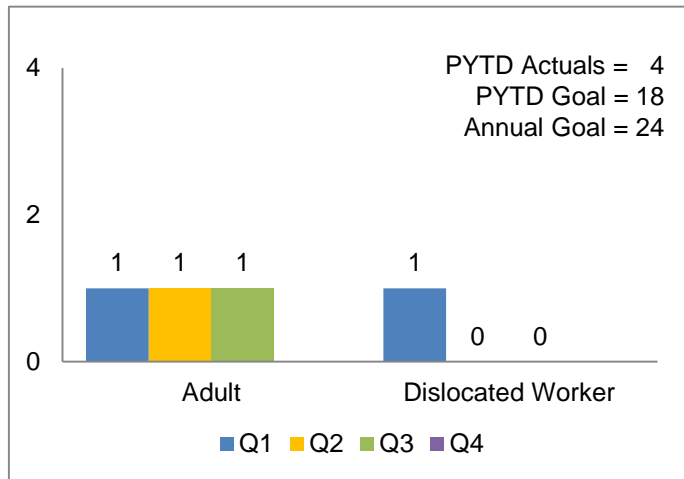
Eckerd Hiring Events



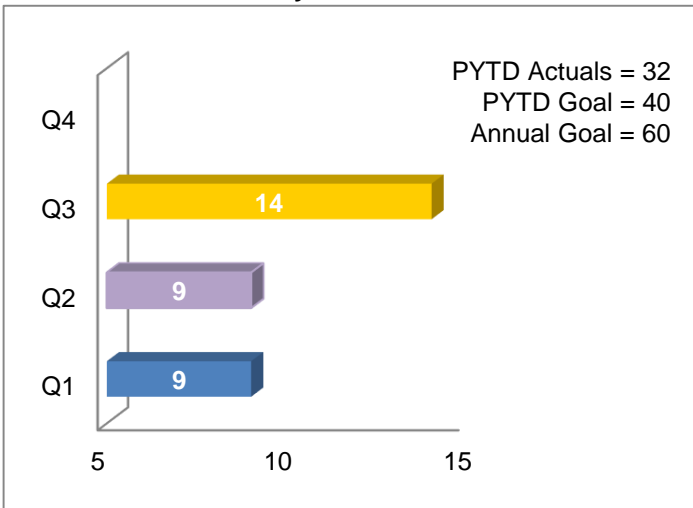
Eckerd Businesses Utilizing Workforce SCC Services



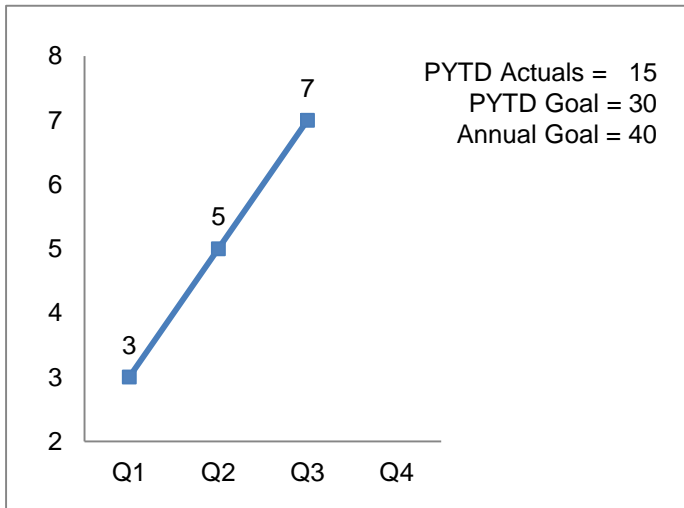
Eckerd OJT Contracts



SBDC Layoffs Averted



SBDC At-Risk Businesses Served





☒Action ☐Consent ☐Information ☐Discussion

A.2 Recontracting PY 19/20 WIOA Services

COMMITTEE:	Business Services/CEDS	MEETING DATE:	April 10, 2019
STAFF NAME: Andy Stone, WDB Director; Belinda Barr, Business Services Manager			

SUMMARY:

The Workforce Innovation and Opportunity Act (WIOA) Business Services contract is currently in year one (1) of a potential three (3) year contract cycle from the last procurement award process. However, on April 3, 2019, Eckerd notified the WDB Director that it has elected not to renew its WIOA Business Services contract after June 30, 2019. At this meeting, the WDB staff will outline the Committee's options and discuss next steps.

The Small Business Development Center's (SBDC) Layoff Aversion contract is scheduled to terminate on June 30, 2019. WDB staff recommended that the WIOA Layoff Aversion contract be renewed with SBDC.

Although the Employment Development Department (EDD) has not yet released the Workforce Innovation and Opportunity Act (WIOA) Allocations for Program Year 2019-20 for the Adult, Dislocated Worker (DW), Rapid Response and Youth funding sources, final contractor allocations will be based upon overall state funding levels. It is recommended that the Executive Committee of this Board have final authority over allocation amounts.

Negotiations on the scope of work with the service goals and the budgets will be completed with services continuing as of July 1, 2019, according to the County's continuing contract agreements process.

☒Attachment(s)

SUGGESTED MOTION: (if applicable)

I move to accept the PY 19/20 re-contracting recommendations, submit to the Executive Committee for final allocation approval and direct staff to move forward with contract negotiations upon receipt of approvals.

COMMITTEE DATE	COMMITTEE APPROVAL: <input type="checkbox"/> Yes <input type="checkbox"/> No Other:
BOARD DATE	BOARD APPROVAL: <input type="checkbox"/> Yes <input type="checkbox"/> No Other:

A.2 Attachment 1
Re-Contracting PY 19/20
Workforce Service Providers

CONTRACTOR	Funding Source/ Services	Actual PY 18/19 Allocation	Recommended PY19/20 Allocation
Goodwill Central Coast* (Rapid Response) County Office of Education* (Youth)	Adult, Dislocated Worker, Rapid Response & Youth	\$100,000	Total not to exceed \$100,000
Small Business Development Center	Layoff Aversion	\$44,000	\$44,000

*Pending Negotiations



☒Action ☐Consent ☐Information ☒Discussion

A.3 Incumbent Worker Training Policy

COMMITTEE:	Business Services/CEDS	MEETING DATE:	April 10, 2019
STAFF NAME: Andy Stone, WDB Director; Belinda Barr, WDB Business Services Manager			

SUMMARY:

Incumbent worker training (IWT) provides both employers and workers with the opportunity to build and maintain a quality workforce. The program is designed to meet the needs of an employer or group of employers to retain a skilled workforce or avert layoffs. The Workforce Innovation and Opportunity Act (WIOA) sets criteria to determine which workers, or groups of workers, are eligible for IWT services and the cost sharing required for IWT projects and employers. The attached proposed Incumbent Worker Training Policy is respectfully submitted for the Committee's review and approval.

☒Attachment(s)

SUGGESTED MOTION: (if applicable)

I move to accept the proposed Incumbent Worker Training Policy and recommend approval by the Workforce Development Board.

COMMITTEE DATE	COMMITTEE APPROVAL: <input type="checkbox"/> Yes <input type="checkbox"/> No Other:
BOARD DATE	BOARD APPROVAL: <input type="checkbox"/> Yes <input type="checkbox"/> No Other:

WIOA Incumbent Worker Training (IWT) Policy

Policy Memorandum 18-05

Date: May 29, 2019

To: All WIOA Staff and Service Providers

Purpose: To provide guidance to staff and contractors (service providers) utilizing incumbent worker training services for eligible clients.

Rescissions: None

References: Workforce Innovation and Opportunity Act (WIOA) (Public Law 113-128) Sections; 122(h)&(i), 134(d)(4), 134(G)(ii), 134(c)(3)(H), and 194(4); Title 20 Code of Federal Regulations Sections 680.780 – 680.820; Training and Employment Guidance Letter (TEGL) 10-16, Change 1, Subject: Performance Accountability Guidance for WIOA Title I, Title II, Title III and Title IV Core Programs (August 23, 2017); California Unemployment Insurance Code Sections 14000-14530; California's Unified Strategic Workforce Development Plan (State Plan) 2016-2020; Workforce Services Directive WSD16-15, Subject: Dislocated Worker Additional Assistance Projects (December 28, 2016); WSD16-13, Subject: Monthly and Quarterly Financial Reporting Requirements (November 28, 2016); WSD16-04, Subject: Rapid Response and Layoff Aversion Activities (July 22, 2016); WSD14-01, Subject: Workforce Investment Act Training Expenditure Requirements (July 8, 2014); EDD Draft Directive WSDD-187; and Training and Employment Guidance Letter WIOA No. 19-16, Subject: Guidance on Services provided through the Adult and Dislocated Worker Programs (March 1, 2017).

Background:

Incumbent worker training (IWT) provides both employers and workers with the opportunity to build and maintain a quality workforce. The program is designed to meet the needs of an employer or group of employers to retain a skilled workforce or avert layoffs. WIOA sets criteria to determine which workers, or groups of workers, are eligible for IWT services and the cost sharing required for IWT projects and employers.

Policy:

A. Incumbent Worker Eligibility

An incumbent worker must be:

1. Employed
2. Meet the Fair Labor Standards Act requirements for an employer-employee relationship
3. Employment history requirement - have an established employment history with the employer for 6 months or more (which may include time spent as a temporary or contract worker performing work for the employer receiving IWT funds)

There is one exception to the six-month requirement, which is that when the incumbent worker training is being provided to a cohort of employees, not every employee in the cohort must have an established employment history with the employer for six months or more as long as a majority of those employees being trained meet the employment history requirement.

An incumbent worker does not have to meet the eligibility requirements for career and training services for adults and dislocated workers under WIOA Title I, unless they are co-enrolled as a participant in the WIOA adult or dislocated worker program. IWT can also be used for underemployed workers, e.g. workers who would prefer full-time work but are working part-time for economic reasons.

B. Employer Eligibility

The Santa Cruz County Workforce Development Board (SCC WDB) staff or designated review panel will determine whether an employer is eligible for IWT based on, at a minimum:

1. The characteristics of the individuals in the program (e.g. individuals with barriers to employment).
2. Whether the training improves the labor market competitiveness of the employees or both the employees and the employer.
3. The employer has a valid California Employer Account Number.
4. The employer is an "equal opportunity" employer compliant with all state and federal laws pertaining to fair labor and employment practices.
5. If workers impacted by the training are represented by a union, the employer must obtain a letter of support from the union. The union letter of support must be on union letterhead and signed by a union officer or business representative.
6. Union-negotiated wages are acceptable wage levels.
7. Other factors the SCC WDB staff or service provider determines appropriate, such as the following:
 - a. The number of employees trained.
 - b. Locally established training maximums.
 - c. Restrictions on the frequency of individuals or employers participating in IWT.
 - d. An individual's current wages and benefits and goals for post training wage increases.
 - e. The existence of other training and advancement opportunities provided by the employer and/or history of successful IWT initiatives with the employer.
 - f. The number of layoffs averted as a result of the training.
 - g. Utilization as part of a larger sector and/or career pathway strategy.

The following items will be taken into consideration:

8. Each employer will be informed of the SCC WDB staff's or designated review panel's decision of the employer's eligibility to receive funding for IWT.
9. The SCC WDB staff or designated review panel will provide its rationale/reasoning to support the IWT initiative.
10. The agreement between the SCC WDB and the employer must include documentation that the six-month employment requirement is met.
11. The local IWT policy and documentation for each initiative will be retained at the local level. It is the SCC WDB's responsibility, in partnership with the employer, to ensure all training is completed and certificates of completion are obtained for each trainee and retained locally. This documentation will be subject to monitoring.

C. Employer Share/Reimbursements

Employers participating in IWT are required to share in the cost of providing training to their incumbent workers. The employer share is based on the size of the employer and will be at least:

- 10% of the cost for employers with up to 50 employees,
- 25% of the cost for employers with 51 to 100 employees, and
- 50% of the cost for employers with more than 100 employees.

Business size is determined by the total number of employees working in all California locations at the time of the execution of the IWT agreement.

The employer's proportionate share for the cost of training may include the employees' hourly wages while attending the training program as well as the cost of the training program (teacher, books and materials, etc.). The employer's contribution may be in cash or in kind, fairly evaluated, and must be tracked and documented in the agreement file. The business will be required to calculate its actual non-federal share as a part of the application for training funds and at the conclusion of the training, should the employer share not meet the limits, the funds could potentially have to be repaid. Official payroll records, time and attendance records, invoices for equipment purchased, etc. must be utilized to determine the amount of the employer's share of the cost. The employer's share must not be calculated using any other Federal funds, except where the Federal statute authorizing a program specifically provides that Federal funds made available for such program can be applied to matching or cost-sharing requirements of other Federal programs.

The SCC WDB may contribute up to \$10,000 of IWT funds per trainee. In limited circumstances, based on factors including employer size, trainee barriers, availability of funding and other applicable factors, the SCC WDB Director may provide a waiver to provide additional support up to the employer share requirement.

D. CalJOBS

Individuals

Individuals who participate in IWT must be registered in CalJOBS and have a completed Title I – Workforce Development application with Incumbent Worker eligibility. CalJOBS Activity Code 308 – IWT should be added to the application for the duration of the IWT.

It should be noted that individuals that participate in only IWT are not considered participants in

the Title I program, and thus are not included in the performance. However, the Department of Labor is requiring states to report the WIOA primary indicators of performance for individuals that participate in IWT. Additionally, the SCC WDB must use supplemental wage information for any individuals that provided a pseudo Social Security Number in CalJOBS.

Employers

The SCC WDB staff must ensure the employer participating in IWT is registered as a preferred employer in CalJOBS and that the CalJOBS Activity Code E68 – IWT is added to the employer's account.

E. Funding

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, SCC WDB may use up to 20% of their total Adult and Dislocated Worker formula allocation to provide IWT (WIOA Section 134[d][4]). Since the WIOA defines IWT as a business service, the delivery of IWT does not require the use of Individual Training Accounts nor does the training program have to be listed on the ETPL. In addition, an eligible employee participating in this activity is not required to meet the eligibility requirements for Adult or Dislocated Worker career and/or training services unless they will receive another WIOA funded service in addition to the IWT.

Note – Expenditures on IWT can be counted toward the training expenditure requirement in Workforce Services Directive WSD14-1. The employer contributions for IWT can be counted as leveraged funds.

F. Key Definitions

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

Career Pathway – A combination of rigorous and high-quality education, training, and other services that: aligns with the skill needs of industries in the state or local regions; prepares an individual to be successful in secondary or postsecondary education options, including apprenticeships; includes counseling to support the achievement of education and career goals; includes, as appropriate, education offered concurrently with and in the same context as workforce preparation activities and training for a specific occupation or occupational cluster; organizes education, training, and other services to meet the needs of an individual in a manner that accelerates educational and career advancement; enables an individual to attain a secondary school diploma or its recognized equivalent, and at least one recognized postsecondary credential; and helps an individual enter or advance within a specific occupation or occupational cluster. (WIOA Sec. 3[7])

Credential or Certificate of Completion – A recognized postsecondary credential is defined as a credential consisting of an industry-recognized certificate or certification, a certificate of completion of an apprenticeship, a license recognized by the state or federal government, or an associate or baccalaureate degree, as well as graduate degrees for purposes of the Vocational Rehabilitation program as required by Section 103(a)(5) of the Rehabilitation Act of 1973, as amended by Title IV of WIOA. A recognized postsecondary credential is awarded in recognition of an individual's attainment of measurable technical or industry/occupational skills necessary to

obtain employment or advance within an industry/occupation. These technical or industry/occupational skills generally are based on standards developed or endorsed by employers or industry associations. Neither certificates awarded by the SCC WDB nor work readiness certificates are included in this definition because neither type of certificate documents the measurable technical or industry/occupational skills necessary to gain employment or advance within an occupation.

Eligible Employer – For an employer to be eligible, the SCC WDB must consider: the characteristics of the individuals in the program (see IWT definition below); the relationship of the training to the competitiveness of an individual and the employer; the number of employees trained; the wages and benefits, including post training increases; the existence of other training opportunities provided by the employer; the employer must have and provide a valid California Employer Account Number; and any other factors the SCC WDB determines appropriate.

Employer Share – The contribution paid by the employer, on behalf of an employee while attending a training program. The employer's share will not be less than one of the following:

- 10% of the cost of training for employers with up to 50 employees,
- 25% of the cost of training for employers with 51 to 100 employees, and
- 50% of the cost of training, for employers with more than 100 employees.

The employer's proportionate share for the cost of training may include the employees' hourly wages while attending the training program as well as the cost of the training program (teacher, books and materials, etc.). The business size is to be based on the total number of employees at all locations operated by the employer in California.

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

Incumbent Worker – To qualify as an incumbent worker, the individual worker needs to be employed in a situation that meets the Fair Labor Standards Act requirements for an employer-employee relationship, and have an established employment history with the employer for six months or more, with the following exception: in the event that the IWT is being provided to a cohort of employees, not every employee in the cohort must have an established employment history with the employer for six months or more as long as a majority of those employees being trained do meet the employment history requirement. An incumbent worker does not have to meet the eligibility requirements for career and training services for Adults and Dislocated Workers under WIOA, unless they are also enrolled as a participants in the WIOA Adult or Dislocated Worker Program. (TEGL 10-16)

Incumbent Worker Training – 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 providing training that will result in progression on a career pathway and income mobility. It is conducted with a commitment by the employer to retain employees, avert the layoffs 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. It increases the competitiveness of the employer or employee and/or gives employees the opportunity to progress on their career pathway by providing opportunities to obtain certificates or credentials based on the employers need.

Incumbent Worker Training Allowable Costs – The SCC WDB share of the cost of training (e.g.,

A.3 Attachment

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.

Qualified Trainer – A qualified trainer 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.

Regional Sector Pathway – The identification, utilization, and servicing of career pathway programs aligned with regional industry sector needs in a Regional Planning Unit.

Classroom Training – Instruction in a classroom setting provided to a group of trainees, conducted by a qualified instructor.

Laboratory Training – Hands-on instruction or skill acquisition under the constant and direct guidance of a qualified trainer. Laboratory training (a.k.a. "Lab") 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 (a.k.a. Productive Laboratory).

Electronic Delivery Training – If an employee utilizes electronic delivery training, the e-learning program should either be on the Eligible Training Providers List (ETPL) or lead the employee on their career pathway with a certificate. Under the electronic delivery training method, the following options are available:

- *Computer-Based-Training* – Training 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 that is live, interactive instruction provided by a trainer through a video communications session.
- *E-Learning* – Instruction delivered through a web-based system, conducted in a virtual environment utilizing web meeting/webinar.

Action: All WIOA Staff and Service Providers will comply with the attached IWT policy. This policy memorandum is on-going and effective immediately.

Inquiries: Any questions regarding this policy memorandum may be directed to the WDB Director.

Attachments: None

This policy authorized by: Workforce Development Board, May, 29, 2019



☒ Action
 ☐ Consent
 ☐ Information
 ☒ Discussion

A.4 Committee Member Recruitment Update

COMMITTEE: Business Services/CEDS Committee	MEETING DATE: April 10, 2019
STAFF NAME: Andy Stone, WDB Director	

SUMMARY:

As you may recall from the BSC meeting on February 13, 2019 the Workforce Innovation and Opportunity Act (WIOA) WDB established standing committees must include other individuals appointed by the Local WDB who are not members of the Local WDB and who have demonstrated contributions, experience and expertise in the field of workforce development and as determined by the local WDB.

At this meeting, the Committee will continue to discuss potential strategies and actions to ensure that the WDB meets the standing committee membership requirements of WIOA.

☐ Attachment(s)

SUGGESTED MOTION: (if applicable)

I move to accept the Committee Member Recruitment update.

COMMITTEE DATE	COMMITTEE APPROVAL: <input type="checkbox"/> Yes <input type="checkbox"/> No Other:
BOARD DATE	BOARD APPROVAL: <input type="checkbox"/> Yes <input type="checkbox"/> No Other:



☐ Action
 ☐ Consent
 ☒ Information
 ☒ Discussion

A.5 Committee Member/Jurisdictional Roundtable

COMMITTEE: Business Services/CEDS Committee	MEETING DATE: April 10, 2019
STAFF NAME: Andy Stone, WDB Director	

SUMMARY:

In order to determine its local focus and actionable items, committee members will conduct a round robin report out on their respective industry sector. Topics such as the latest developments in their industry, emerging issues or trends can be presented.

Industry:

- *Financial Activities
- *Hospitality
- *Professional Services
- *Trade

☐ Attachment(s)

SUGGESTED MOTION: (if applicable)

N/A

COMMITTEE DATE	COMMITTEE APPROVAL: <input type="checkbox"/> Yes <input type="checkbox"/> No Other:
BOARD DATE	BOARD APPROVAL: <input type="checkbox"/> Yes <input type="checkbox"/> No Other: