



**Workforce Development Board
Business Services/CEDS Committee**
Wednesday, August 7, 2019
Cabrillo College, Sesnon House
6500 Soquel Dr., Aptos
3:00 p.m.

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

Agenda

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

Tina Friend, 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.*

- I. Call to Order/Welcome**
- II. Public Comment**
- III. Service Provider Activity Report**
Eckerd (Workforce Services for Business)
SBDC (Layoff Aversion)
- IV. Informational Item**
I.1 Labor Market Information **2-3**
- V. Consent Items**
C.1 Approval of Minutes from April 10, 2019 Meeting..... **4-9**
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C.3 Business Services Financial and Performance Report..... **11-13**
C.4 Incumbent Worker Training Policy Update **14-21**
- VI. Administration**
A.1 Business Services Redesign **22**
A.2 CEDS Plan Update **23-24**
A.3 Committee Member/Jurisdictional Roundtable **25**
- VII. Chairperson's Report**
- VIII. Adjournment**

Next Meeting: Workforce Development Board Meeting
September 11, 2019 @ 8:30 a.m.
Best Western Seacliff Inn
7500 Old Dominion Court
Aptos, CA 95003

Next Committee Meeting:
October 9, 2019 @ 3:00 p.m.
Sesnon House, Cabrillo College

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☐ Action ☐ Consent ☒ Information ☒ Discussion

I.1 Labor Market Information

COMMITTEE: Business Services/CEDS Committee	MEETING DATE: August 7, 2019
STAFF NAME: Andy Stone - WDB Director, Laurel Gazza - Administrative Aide	

SUMMARY:

The current unemployment rate in Santa Cruz County was 4.2 percent in June 2019, up from a revised 4.0 percent in May 2019 (summary also attached), and below the year ago estimate of 4.4 percent. This compares with an unadjusted unemployment rate of 4.1 percent for California and 3.8 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:

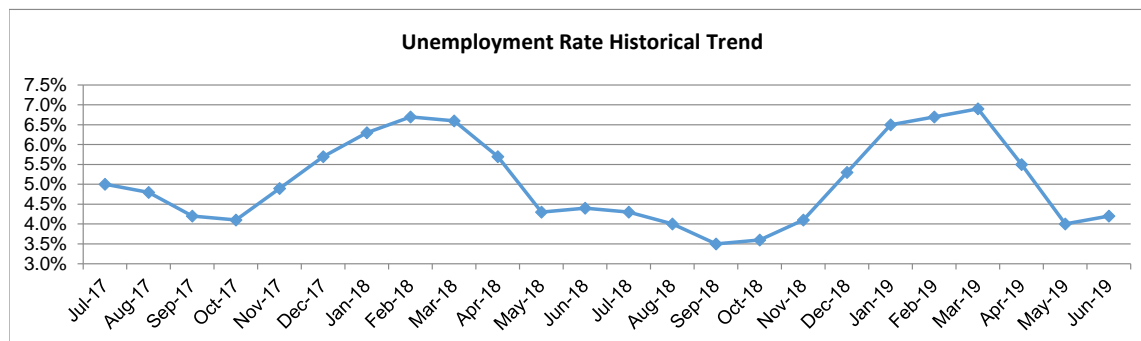
State of California
 EMPLOYMENT DEVELOPMENT DEPARTMENT
 Labor Market Information Division
 14101 E Nelson Avenue
 La Puente, CA 91746

July 19, 2019

Robert Lee
 626-934-5738

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

The unemployment rate in the Santa Cruz County was 4.2 percent in June 2019, up from a revised 4.0 percent in May 2019, and below the year-ago estimate of 4.4 percent. This compares with an unadjusted unemployment rate of 4.1 percent for California and 3.8 percent for the nation during the same period.



Industry	May-2019	Jun-2019	Change		Jun-2018	Jun-2019	Change
	Revised	Prelim				Prelim	
Total, All Industries	115,100	119,000	3,900		116,100	119,000	2,900
Total Farm	9,200	11,300	2,100		10,800	11,300	500
Total Nonfarm	105,900	107,700	1,800		105,300	107,700	2,400
Mining, Logging, and Construction	4,600	4,700	100		4,400	4,700	300
Manufacturing	7,600	7,800	200		7,500	7,800	300
Trade, Transportation & Utilities	16,900	16,900	0		17,000	16,900	(100)
Information	600	600	0		700	600	(100)
Financial Activities	3,500	3,600	100		3,700	3,600	(100)
Professional & Business Services	10,700	10,800	100		10,200	10,800	600
Educational & Health Services	18,100	18,200	100		17,800	18,200	400
Leisure & Hospitality	15,200	16,100	900		15,600	16,100	500
Other Services	5,400	5,600	200		5,300	5,600	300
Government	23,300	23,400	100		23,100	23,400	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 on line at www.labormarketinfo.edd.ca.gov



☒Action ☒Consent ☐Information ☐Discussion

C.1 Approval of Meeting Minutes

COMMITTEE: Business Services/CEDS	MEETING DATE: August 7, 2019
STAFF NAME: Andy Stone, WDB Director; Laurel Gazza, Administrative Aide	

SUMMARY:

Requesting Consent approval of the April 10, 2019 Business Services/CEDS meeting minutes.

☒Attachment(s)

SUGGESTED MOTION: (if applicable)

I move to approve the April 10, 2019 Business Services/CEDS meeting minutes.

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:



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

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

MINUTES

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

Committee Members in Attendance

Beyer, Casey
Constable, Andy
Delk, Marshall - Chair
Destout, Elyse – Vice Chair
Elliott, Candice
Moss, Denise – In for member Gerlinde Brady, Cabrillo College
Unitt, Rebecca – in for Bonnie Lipscomb, City of Santa Cruz

Committee Members Absent

Brady, Gerlinde
Haruyama, Jenny
Herlihy, Katie
Huffaker, Matt
Lipscomb, Bonnie
Morse, Rob
Siegel, Carol

Staff in Attendance

Barr, Belinda- WDB Business Services Manager
Gazza, Laurel – WDB Administrative Aide
Stone, Andy – WDB Director

Guests

Amy Nama – Cabrillo College SBDC
Sharolynn Ullestad – WFSCC, Eckerd Connects

**BUSINESS SERVICES/CEDS
COMMITTEE:**

Marshall Delk, Chair
Santa Cruz County Bank

Elyse Destout, Owner
Photography by Elyse Destout

Gerlinde Brady,
Cabrillo College

Andy Constable
Economic Development Manager
County of Santa Cruz

Candice Elliott
Principal Consultant
Fortress and Flourish

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 had members, staff and guests introduce themselves.

Subject: Public Comment

There was no public comment.

Subject: Approval of February 13, 2019 Business Services/CEDS Committee meeting minutes.

Action: It was moved to approve the February 13, 2019 Meeting Minutes.

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

Subject: V. Service Provider Activity Reports

Sharolynn Ullestad, from Eckerd Connects notified the committee that this would be her last meeting attended, as Eckerd Connects had decided not to renew their current contract for Business Services. She also recapped current performance figures for PY 18-19, Quarter 3.

Amy Nama, attending for new Director of Small Business Development Council (SBDC) at Cabrillo College, Brandon Napoli, stated that she looks forward to the continued relationship between SBDC and the WDB Business Services/CEDS committee and that they had 14 jobs retained in Quarter 3, and had done much community outreach.

Subject: VI. Informational Item

I.1 – Labor Market Information

WDB Director Andy Stone noted that the local employment rate for January 2019 was 6.5%, above the year ago estimate of 6.3%. Chair Marshall Delk spoke briefly about the Federal Reserve rates status and current financial markets. Casey Beyer, of the Santa Cruz Chamber of Commerce stated that there was an uptick in hiring for the shoulder season, but a pause in construction hiring.

Subject: VI. Consent Items:

**C.1 – Business Services Financial and Performance Report
C.2 – Business Services Program Monitoring PY 18-19**

Action: It was moved to approve the Consent Items

Status: Motion to Approve: Andy Constable
Motion Seconded: Elyse Destout

Abstentions: None
Committee Action: All in favor, motion passed

Subject: VIII. Administration Items:

A.1 – Committee Dashboard with Review of Metrics

WDB Director Andy Stone reviewed the current metrics of the dashboard and advised committee members that he and Business Services Manager Belinda Barr were open to committee input on if new metrics or format was needed. Committee members stated that they would be interested in seeing such information as industry sector performance, jurisdictional or zip code breakdowns of hiring numbers, and businesses utilizing layoff aversion.

Action: It was moved to accept the proposed changes to the Business Services/CEDS dashboard, for future use.

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

A.2 – Re-contracting PY 19/20 WIOA Services

WDB Director Andy Stone noted again (as Sharolynn Ullestad had said earlier) that Eckerd Connects decided not to renew their contract, so the Rapid Response and WEX functions currently handled by Eckerd would go to existing contractors, SCCOE and Goodwill Central Coast. He also stated that WDB Business Services Manager Belinda Barr would be re-designing the business services module. Director Stone also recommended renewing Cabrillo SBDC contract as current amount of \$40,000.

Action: It was moved 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.

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

A.3 – Incumbent Worker Training Policy

WDB Business Services Manager Belinda Barr gave a presentation on the proposed Incumbent Worker Training Policy, which would provide both employers and workers with the opportunity to build and maintain a quality workforce. Steps would include passing a policy and carving out a budget.

Action: It was moved to accept the proposed Incumbent Worker Training Policy and recommend approval by the Workforce Development Board.

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

A.4 – Committee Member Recruitment Update

Chair Marshall Delk encouraged committee members to focus on recruiting new Business Services/CEDS committee members. Elyse Destout mentioned that her friend Erica Manfre would hopefully be attending the Executive Committee meeting, then would join the WDB Board.

Action: It was moved to approve the Committee Member Recruitment Update.

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

A.5 – Committee Member Jurisdictional Roundtable

Each member of the CEDS portion of the committee gave a current update on ongoing/upcoming projects in their respective areas, along with status of retail vacancies.

Action: None – Informational item only.

Subject: IX. Chairperson's Report

Chair Marshall Delk reiterated the need for new committee members and WDB Director Andy Stone mentioned the upcoming resignation of Scotts Valley City Manager (and Business Services/CEDS committee member) Jenny Haruyama and wanted to find the name of her replacement to begin recruiting efforts.

Meeting adjourned at 4:26 p.m.

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

Business Services Committee Meeting
TBD @ 3:00 p.m.
TBD location

DRAFT

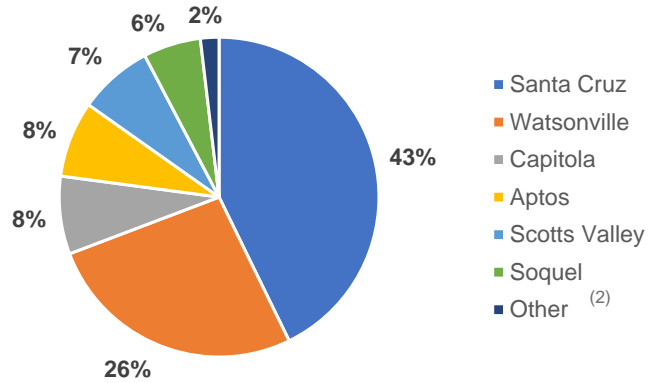


Business Services Dashboard Program Year 2018 - 2019 (through Q4)

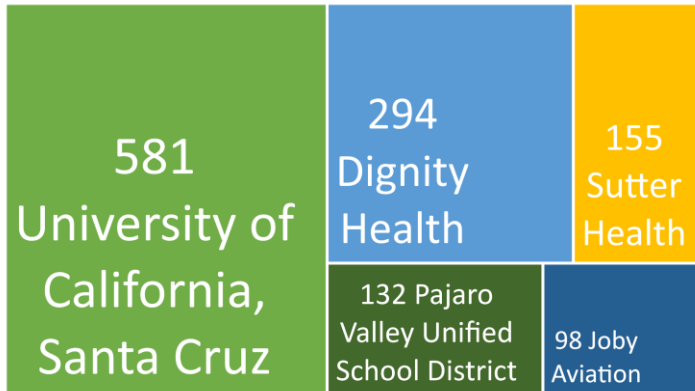
Business Services



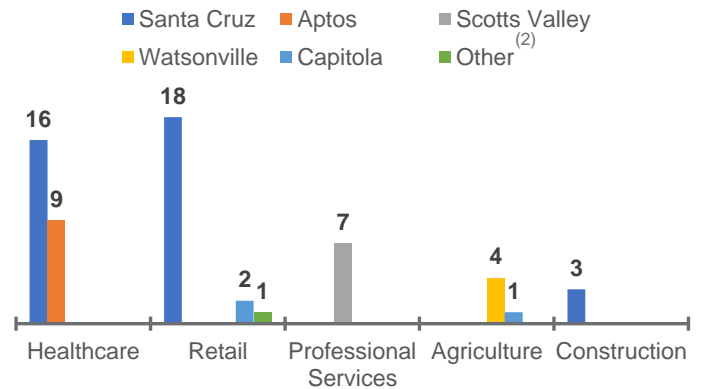
Business Services by Location



Top 5 Job Ads by Company (PY Q4 only)⁽³⁾



Layoffs Averted by Sector & Location⁽⁴⁾



Footnotes:

(1) Responded to 411 layoffs: (Agriculture-173, Retail-125, Restaurants-61 & Other-52) and (Q1-34, Q2-286, Q3-4 & Q4-87)

(2) Other locations are Ben Lomond, Brookdale, Felton & Freedom

(3) Online job postings in PY Q4 per JobsEQ

(4) SBDC met annual goal of serving 40 at-risk businesses & averting 61 layoffs, thereby exceeding annual target of jobs retained by 1



☐ Action ☒ Consent ☒ Information ☐ Discussion

C.3 Business Services Report

COMMITTEE:	BS/CEDS Committee	MEETING DATE:	August 7, 2019
STAFF NAME: Belinda Barr, Business Services Manager			

SUMMARY:

Report attached tracking business services contractor spend and performance.

☒ 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.3 Attachment

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

Eckerd Business Services - Budget v. Expenditures (Through 5/31/2019)

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	\$20,175	\$19,272	\$22,596	\$15,768	\$77,812
Percent Invoiced	80.7%	77.1%	90.4%	63.1%	77.8%
Remaining Budget	\$4,825	\$5,728	\$2,404	\$9,232	\$22,188

Underspend primarily due to Eckerd staffing delays in 2018.

Eckerd Business Services - Contract Performance Objectives (Through 6/30/2019)

Eckerd Modality 2 Contract Outcomes	Actual	Annual Goal	% Achieved
Businesses Utilizing Incumbent Worker Training	0	2	0.0%
Businesses Utilizing Workforce Services	148	158	93.7%
Work Experience Worksites	24	45	53.3%
On-the-Job-Training Enrollments	23	24	95.8%

Incumbent Worker Training (IWT) Policy was approved by Workforce Development Board on May 29, 2019 and Eckerd did not focus on IWT in June.

Eckerd secured about half of target Work Experience Worksites in second-half of program year due to increasing staff by 0.5 FTE, expanding worksite targets to non-profits, and improving worksite agreement processing.

C.3 Attachment

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

Small Business Development Center (SBDC) Layoff Aversion - Budget v. Expenditures (Through 6/30/2019)

SBDC Layoff Aversion	Actual
Budget	\$44,000
Invoiced Amount	\$43,998
Percent Invoiced	100.0%
Remaining Budget	\$2

SBDC - Contract Performance Objectives (Through 6/30/2019)

SBDC Layoff Aversion Contract Outcomes	Actual	Annual Goal	% Achieved
Number of new at-risk businesses to be served	40	40	100.0%
Number of actual jobs retained or layoffs averted	61	60	101.7%



C.4 Incumbent Worker Training Policy Update

COMMITTEE:	Business Services/CEDS	MEETING DATE:	August 7, 2019
STAFF NAME: 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 Employment Development Department released an Incumbent Worker Training Final Directive on July 2, 2019. Material differences to the IWT Policy last approved by the Workforce Development Board on May 29, 2019 are primarily:

- (1) less restrictions on employer eligibility and
- (2) more detail on performance and reporting requirements.

The attached Incumbent Worker Training Policy is updated for the Committee's review.

☒ Attachment(s)

SUGGESTED MOTION: (if applicable)

I move to approve the updated Incumbent Worker Training Policy, as presented.

COMMITTEE DATE	08/07/19	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 Change 1

Date: September 11, 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: Policy Memorandum 18-05 (May 29, 2019)

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); 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); California Unemployment Insurance Code Sections 14000-14530; Workforce Services Directive WSD18-10 (PDF), WIOA Training Expenditure Requirement, (January 31, 2019); WSD18-03 (PDF), Subject: Pathway to Services, Referral, and Enrollment (August 29, 2018); WSD17-08 (PDF), Subject: Procurement of Equipment and Related Services (March 14, 2018); WSD16-18 (PDF), Subject: Selective Service Registration (April 10, 2017); WSD16-16 (PDF), Subject: Allowable Costs and Prior Written Approval (February 21, 2017); 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). WSD15-23 (PDF), Subject: Transfer of Funds – WIOA Adult/Dislocated Worker Programs (March 29, 2016); Workforce Services Information Notice WSIN12-31 (PDF), Subject: Assisting Employers in the New CalJOBS (February 15, 2013);

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 so participants can be promoted within the company and create backfill opportunities for employers. 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:

1. Be a current employee of an eligible employer and have an established employment history with the employer for six months or more;
2. Meet the Fair Labor Standards Act requirements for an employer-employee relationship; and
3. Meet the Selective Service requirements.

There is an 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. (Reference: Title 20 CFR Section 680.780)

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 and will receive WIOA funded services in addition to the IWT. 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. The relationship of the training to the competitiveness of the individual and employer.
3. The employer has a valid California Employer Account Number.
4. Other factors the SCC WDB staff or service provider determines appropriate, which may include, but are not limited to, the following:
 - a. The number of employees participating in the training.
 - b. The employees' advancement opportunities, along with wages and benefits (both pre-and post-training earnings).
 - c. The existence of other training and advancement opportunities provided by the employer.
 - d. Credentials and skills gained as a result of the training.
 - e. The number of layoffs averted as a result of the training.

- f. Utilization as part of a larger sector and/or career pathway strategy.
- g. Employer size.

[Reference: WIOA Section 134(d)(4)(A)(ii) and TEGL 19-16]

The following items will be taken into consideration:

- 5. 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.
- 6. The SCC WDB staff or designated review panel will provide its rationale/reasoning to support the IWT initiative.
- 7. The agreement between the SCC WDB and the employer must include documentation that the six-month employment requirement is met.
- 8. 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 are required to share in the cost of the training for those individuals in IWT. 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.

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

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. 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 the SCC WDB 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 the purpose of 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 and the Local Boards, the DOL 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 Employment Development Department (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 SCC WDB'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.

E. CalJOBS

Individuals

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 2272 – Incumbent Worker Training Participant to the 308 – IWT activity code.

Employers

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

F. 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. This 20% can only be used for programmatic activities, and cannot be used for administrative functions. 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 Eligible Training Provider List (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.

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. The SCC WDB has the flexibility to determine which strategies and activities are applicable in a given situation, based upon the specific needs, policies, and procedures within the state and Santa Cruz County.

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 in regards to these expenditure levels. An example of the updated expenditure reports can be found as attachments to WSD16-13.

Note – IWT expenditures can be counted toward the training expenditure requirement in Workforce Services Directive WSD18-10. The employer contributions for IWT can be counted as leveraged funds.

G. Key Definitions

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

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.

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. [Reference: 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 employer must have and provide a valid California Employer Account Number; and any other factors the SCC WDB determines appropriate, such as the number of employees trained, the 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 – 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.).

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, meet Selective Service requirements, 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 participants in the WIOA Adult or Dislocated Worker Program. (Reference Title 20 CFR Section 680.780 and 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. (Reference 20 CFR 680.790)

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

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

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

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

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, September 11, 2019



☒Action ☐Consent ☐Information ☒Discussion

A.1 Business Services Redesign

COMMITTEE: Business Services/CEDS Committee	MEETING DATE: August 7, 2019
STAFF NAME: Belinda Barr, WDB Business Services Manager	

SUMMARY:

In light of Eckerd's decision to not renew their contract in PY 19/20, the Business Services role has an opportunity to reevaluate the function and bring in best practices proven in other workforce areas across the country.

Partners recognize an opportunity in Santa Cruz County to improve business outreach to better serve industry. Staff propose the establishment of a Business Resource Network (BRN). Involving the workforce system, economic development organizations, community based organizations, and education, the BRN connects multiple systems to create a seamless service delivery system providing more effective and efficient business services.

With the Workforce Development Board offering to serve as the administrative partner, the BRN will bring together partners who can provide solutions and present options for businesses. An example of a proven BRN process begins with a comprehensive and confidential interview and results in a customized proposal that offers the business an array of services designed to meet its needs. The BRN representative will maintain the business relationship to coordinate future services and provide support. From the interview to providing a customized solution package, the process should take about two weeks. The BRN model provides a single point of contact for services from multiple agencies and organizations, delivering experts to help the business grow - all at no charge to the business. The BRN collaborates with the county's various agencies and programs to determine which funding streams would be best suited to the employer's current and future needs to grow, improve or expand.

The BRN is about strengthening our community by building stronger businesses. By providing a dedicated BRN representative, with access to our community's combined resources, businesses will find it easier to receive the support they need to thrive and grow in Santa Cruz County.

At this meeting, the Committee will provide feedback on implementing the BRN in Santa Cruz County and consider the appointment of an implementation team.

☐Attachment(s)

SUGGESTED MOTION: (if applicable)

I move to direct staff to proceed with the development of a Business Resource Network and seek volunteers to assist with implementation.

COMMITTEE DATE 08/07/19	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.2 CEDS Plan Update

COMMITTEE: Business Services/CEDS Committee	MEETING DATE: August 7, 2019
STAFF NAME: Andy Stone, WDB Director; Belinda Barr, WDB Business Services Manager	

SUMMARY:

The next CEDS Five-Year Plan is due to the Economic Development Administration (EDA) in May 2020. Regions are required to update their CEDS at least every five years to qualify for EDA grants. The most recent CEDS plan can be found at: <http://bit.do/eta98>. An EDA developed summary of the CEDS can be found at: <http://bit.do/etbaD>.

On August 8, 2018 the BS/CEDS Committee approved \$35,000 to contract to develop the next CEDS Five-Year Plan and \$5,000 for WDB staffing. The staff funds are composed of \$2,500 for meetings management and \$2,500 for contract and CEDS Plan oversight. The budget is attached for reference. Ratios were apportioned to specific jurisdictions based on relative population size (according to the 2010 United States Census).

☒ Attachment(s)

SUGGESTED MOTION: (if applicable)

I move to accept the 2019-2020 CEDS budget report.

COMMITTEE DATE 08/07/19	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 2019-20 CEDS Budget
 (July 1, 2019 - June 30, 2020)

Jurisdiction	Population (Census 2010)	% of County Population- (Based on 2000 Census population data)	19/20 Approved Contributions (Based on 2000 Census population data)
City of Capitola	9,918	3.78%	\$1,511.99
County of Santa Cruz	129,739	49.45%	\$19,778.64
City of Santa Cruz	59,946	22.85%	\$9,138.74
City of Scotts Valley	11,580	4.41%	\$1,765.37
City of Watsonville	51,199	19.51%	\$7,805.26
Total	262,382	100.0%	\$40,000

2019-20 CEDS Operations Budget	
County Staff Services	5,000.00
CEDS Plan Development (contract)	35,000.00
Total Budgeted Expenditures	40,000.00



☐ Action ☐ Consent ☒ Information ☒ Discussion

A.3 Committee Member/Jurisdictional Roundtable

COMMITTEE: Business Services/CEDS Committee	MEETING DATE: August 7, 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: