



Workforce Investment Board  
*Reaching Business*



CITY OF OAKLAND  
OFFICE OF ECONOMIC AND WORKFOCE DEVELOPMENT  
OAKLAND WORKFORCE INVESTMENT BOARD

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**DIRECTIVE No:** 12-001  
**TO:** WIA Service Providers  
**EFFECTIVE:** July 1, 2012  
**SUBJECT:** Training Services – Policies and Procedures  
**REFERENCES:**

- Workforce Investment Act (WIA), Section 134
- WIA Regulations at 20 CFR Subpart A – Delivery of Adult and Dislocated Worker Services through the One-Stop Delivery System (Sec 663.100 to 663.730)
- Senate Bill 734
- EDD Workforce Services Directive WIAD06-17 (Changes to WIA Requirements - SB 293, The Workforce Training Act)
- EDD Workforce Services Directive WSD11-9 (WIA Training Expenditure Requirements)
- EDD Workforce Services Directive WSD12-3 (Quarterly and Monthly Financial Requirements)
- EDD Workforce Services Draft Directive WSDD-72

**PURPOSE:** This policy directive provides guidance on eligibility for training services, financial assistance towards training, and related procedures under the Workforce Investment Act (WIA) Programs. The Oakland WIB's Strategic Plan supports the implementation of a sector-focused approach to the delivery of training services. The Oakland WIB also has a Supportive Services policy which requires the use of the Self-Sufficiency Standard to assist job seekers with training and employment goals.

**ELIGIBILITY FOR TRAINING:**

Training Services under WIA may be established for an individual; that individual may then be referred to any number of training options. In Oakland, training services may be made available to employed and unemployed adults and dislocated workers who:

- Have met the eligibility requirements for intensive services, have received at least one intensive service, and who have been determined to be unable to obtain or retain employment through such intensive services;

- Have been determined by the individual’s Case Manager or Workforce Counselor, after documented evaluation or assessment in the Individual Employment Plan, and case management services, to be in need of training services and to have the prerequisites to successfully participate in the selected program of training services;
- Have selected a program of training services that are directly linked to employment opportunities available in the local area, or in an area where the individuals receiving such services are willing to relocate;
- Are unable to obtain grant assistance from other sources to pay the costs of such training, including Federal Pell Grants, or who require WIA assistance in addition to other sources of grant assistance; and
- Are deemed eligible in accordance with Oakland's priority of services policies.

## **TRAINING SERVICES OPTIONS**

Training Services are defined as one or more courses or classes, or a structured regimen, that upon successful completion, leads to: (1) a certificate, associate degree or baccalaureate degree; or (2) the skills or competencies needed for a specific job or jobs, an occupation, occupational group, or generally, for many types of jobs or occupations, as recognized by employers and determined prior to training.

WIA-funded training services that may be provided to Adult or Dislocated Workers include:

- Occupational skills training, including training for non-traditional employment;
- Programs that combine workplace training with related instruction (which may include cooperative education programs);
- On-the Job Training;
- Training programs operated by the private sector;
- Skill upgrading and retraining;
- Entrepreneurial training;
- Job readiness training;
- Adult education and literacy activities provided in combination with the above training services; and
- Customized training conducted with a commitment by an employer or group of employers to employ an individual upon successful completion of the training.

Customized training, On-the-Job Training, and incumbent worker training do not require ETPL (Eligible Training Provider List) eligibility or the use of ITAs.

Inasmuch as possible, training services shall be directly linked to occupations that are in demand in the Oakland metropolitan area or in another area to which an adult or dislocated worker receiving training services is willing to relocate. One-Stop and affiliates are expected to abide by current or future policies regarding the expenditure of training funds for occupations determined by the Oakland WIB to be in sectors of the economy that have a high potential for sustained demand or growth in the Oakland metropolitan area and in meeting the goals for CA SB734. To the greatest extent possible, training should be linked to a career pathway in high growth sectors

that have entry-level and mid-level occupations leading to self-sufficiency. Case managers will use the Self-Sufficiency Standard to assist in determining training and employment goals.

## **LIMITS ON TRAINING SERVICES**

The Oakland Workforce Investment Board is required under the Workforce Investment Act to set policies for Adults and Dislocated Workers seeking training services funded under WIA. These policies must define time and cost limits (caps) to training activities under WIA. The following principles, initially established by EASTBAY Works, set the policies and procedures adopted by the Oakland One-Stop system:

Training subsidies will be capped/limited to \$4,000 over a five-year period per program participant. Under special circumstances, on a case-by-case basis and with proper justification, a Career Counselor or Case Manager could request a waiver to exceed the \$4,000 limit from the One-Stop Manager. The One-Stop Managers may approve waivers to amounts not to exceed \$6,000. The Oakland WIB-designated representative must approve any waiver request that exceeds \$6,000.

Individual Training Accounts and On-the-Job Training can be combined as long as the funding limit is not exceeded.

## **INDIVIDUAL TRAINING ACCOUNTS (ITA)**

The Workforce Investment Act requires that ITAs only be issued if WIA-enrolled individuals are unable to obtain other grant assistance for training services through Federal Pell Grants or any other grant assistance, including the possible funding for dislocated workers under the North American free Trade Agreement (NAFTA) or Trade Adjustment Assistance (TAA).

### **Individual Training account (ITA) Policy:**

- Service providers must coordinate training funds available and make funding arrangements with One-Stop partners and other entities. Training providers must consider the availability of Pell Grants and other sources of grants to pay for training costs, so that WIA funds supplement other sources of training grants.
- A WIA participant may enroll in WIA-funded training while his/her application for a Pell Grant is pending as long as the One-Stop service provider has made arrangements with the training provider and the WIA participant regarding allocation of the Pell Grant, if it is subsequently awarded. In that case, the training provider must reimburse the One-Stop service provider the WIA funds used to underwrite the training for the amount the Pell Grant covers. Reimbursement is not required from the portion of Pell Grant assistance disbursed to the WIA participant for education-related expenses.
- If similar training (curricula and timeframes) are available at both public and private training institutions, the Oakland WIB would only pay up to the cost of the public training institution. (The WIA registrant could opt for the private school but would only receive an ITA for the amount equal to the Public School's cost).

- Maximum length of training will be limited to two (2) years.
- It is the policy of the Oakland WIB to fund training through the use of Individual Training Accounts only with those vendors listed on the State of California Eligible Training Providers List (ETPL).
- More than one course can be taken by a participant within the maximum ITA amount allowed as long as the training is with eligible training providers, and the trainings are consistent with the Individual Employment Plan.
- ITAs and OJTs can be combined as long as the total cost stays under the limits set above and under the exceptions established above.
  - **Consumer Choice** (20 CFR 663.440)
    - Training services provider through ITAs must be provided in a manner that maximizes informed consumer choice in selecting an eligible provider;
    - Each One-Stop center must make available to customers the State list of eligible training providers (ETPL) and the performance and cost information about eligible providers of training services;
    - An individual who has been determined eligible for training services may select a provider from the ETPL after consultation with a Case Manager. Unless the program has exhausted training funds for the program year, the operator must refer the individual to the selected provider and establish an ITA for the individual to pay for training.

Under no circumstances should a One-Stop service provider be allowed to refer a client and establish ITAs with itself.

[WIA Directive WIAD06-17 specifically states:

“Training vouchers. UI Code 14234 prohibits One-Stop operators that issue training vouchers from being a recipient of those vouchers without the approval of the local chief elected official and the California Workforce Investment Board. Approval would be given only in those instances in which there were no other potential One-Stop partners in the local area. [Cf. WIA 117(f)(1), and 20 CFR 663.400 and 663.505.]”]

### **ITA Payment and Payment Recapture Policy**

Provided all conditions have been met to create a ratified ITA contract, contractors providing training services to WIA clients will receive one-half of the amounts due under the ITA upon the participant’s completion of 50% of the training. The remaining one-half of the amount due will be paid upon the client’s completion of the training program. Payment of either portion of the ITA is expressly conditioned upon:

- The vendor’s submission of the participant’s monthly attendance and progress reports, and
- The vendor’s submission of an invoice for each unit of training.

In the event that a participant withdraws from an ITA-funded training or does not complete the number of hours of training authorized under the ITA, the Oakland WIB or its training processing contractor, will, on the basis of “scheduled attendance”, pay only the proportional costs of the participant’s tuition for the portion of training that the participant had completed before withdrawing or exiting from the training. The vendor understands that a participant may choose to withdraw from training for any reason or no reason at all, and the vendor agrees to help the career counselor determine the actual number of hours the participant attended. The Oakland WIB will not seek recovery of funds used for the purchase of books and other training materials at the onset of training.

## **ON-THE-JOB TRAINING**

On-the-Job Training (OJT) is provided under a contract with an employer in the public, private non-profit, or private sector. Through the OJT contract, occupational training is provided for the WIA participant in exchange for the reimbursement of up to 50 percent of the wage rate or up to the rate allowable based on EDD guidance, to compensate for the employer’s extraordinary costs.

OJT and Customized Training opportunities are to be given preference over ITA classroom training in order to provide training services to the greatest number of eligible individuals.

However, the Oakland WIB will not accept contracts with an employer who has previously exhibited a pattern of failing to provide OJT participants with continued long-term employment with wages, benefits, and working conditions that are equal to those provided to regular employees who have worked a similar length of time and are doing the same type of work.

Participants in OJT must be compensated at the same rates, including periodic increases, as trainees or employees who are similarly situated in similar occupations by the same employer and who have similar training, experience and skills. All wage and hour laws, EEO provisions, and health and safety standards established under Federal, State or Local laws are applicable.

An OJT contract must be limited to the period of time required for a participant to become proficient in the occupation for which the training is being provided. In determining the appropriate length of the contract, consideration should be given to the skill requirements of the occupation, the academic and occupational skill level of the participant, prior work experience, and the participant’s individual employment plan.

OJT contracts may be written for eligible employed workers when:

- The employee is not earning a self-sufficient wage as determined by Local Board policy; and
- The OJT relates to the introduction of new technologies, introduction to new production or service procedures, upgrading to new jobs that require additional skills, workplace literacy, or other appropriate purposes identified by the Oakland WIB.

Regarding the conditions that govern OJT payments to employers, On-the-Job Training payments to employers are deemed to be compensation for the extraordinary costs associated with training participants and the costs associated with the lower productivity of the WIA participant. Employers may be reimbursed up to 50 percent of the wage rate of an OJT participant for the extraordinary costs of providing the training and additional supervision related to the OJT. Employers are not required to document such extraordinary costs.

### **Prohibitions on the use of OJTs**

WIA funds may not be used or proposed to be used for:

- Contracts with employers who have previously exhibited a pattern of failing to provide OJT participants with continued long-term employment with wages, benefits, and working conditions that are equal to those provided to regular employees;
- The encouragement or inducement of a business, or part of a business, to relocate from any location in the United States, if the relocation results in any employee losing his or her job at the original location;
- If the employer has a collective bargaining agreement, the OJT contract should not impair existing contracts for services or collective bargaining agreements;
- The use of OJT funds should not result in the full or partial displacement of employed workers;
- Customized training, skill training, or OJT or company-specific assessments of job applicants or employees of a business or a part of a business that has relocated from any location in the United States, until the company has operated at that location for 120 days, if the relocation has resulted in any employee losing his or her jobs at the original location;
- Funds provided to employers for OJT or customized training must not be used to directly or indirectly assist, promote or deter union organizing;
- WIA Title I funds, in general, may not be spent on the employment or training of participants in sectarian activities.

### **CUSTOMIZED TRAINING**

Customized Training is training:

- That is designed to meet the special requirements of an employer (including a group of employers);
- That is conducted with a commitment by the employer to employ or, in the case of incumbent workers, continue to employ an individual on successful completion of the training; and
- For which the employer pays not less than 50 percent of the cost of the training.

Customized training of an eligible employed individual may be provided for an employer or a group of employers when:

- The employee is not earning a self-sufficient wage as determined by Oakland WIB policy;
- The customized training relates to the purposes identified by the Oakland WIB.

### **Priority in Training**

In the event that funds allocated for adult or dislocated worker employment and training activities are limited, priority shall be given to recipients in accordance with the “Priority for

Services” policy, as authorized and issued by the Oakland WIB. Due to limited WIA funds available for training activities, priority should be given to Oakland residents.

## **LEVERAGED RESOURCES**

Beginning in PY 2012-13 funding (grants with start dates in July 2012) all local boards are required to spend at least 25 percent of the combined total of their WIA Adult and Dislocated Worker formula fund allocations on workforce training services. The training expenditure requirement does not apply to Youth formula fund allocations. A portion of the minimum training expenditure requirement, (up to 10 percent of the combined total of the Adult and Dislocated Worker fund allocation) may be met by applying designated leveraged resources used for training services.

Beginning PY 2016-17 the minimum training expenditure requirement will increase from 25 percent to 30 percent.

For local boards to meet the minimum training expenditure requirement, formula funds and leveraged resources must be spent on WIA Adult or Dislocated Worker participants enrolled in a training activity in the EDD Job Training Automation (JTA) system, which is currently in migration to the EDD California Workforce Services Network (CWSN) system.

Formula funds and leveraged resources spent on WIA core, WIA intensive services, and supportive services may not be applied toward the minimum training expenditure requirement. Leveraged resources can be claimed to fulfill the requirements under SB 734 if the participant is enrolled in a training activity as defined in training services options above.

### **What qualifies as Leveraged Resources?**

It is the policy of the Oakland WIB to apply the following as leveraged resources used for training services toward meeting up to 10 percent of the minimum training expenditure requirement:

- Federal Pell Grants established under Title IV of the Higher Education Act of 1965
- Public programs authorized by the Workforce Investment Act of 1998 (e.g., Job Corps, Migrant Seasonal Farm Worker, Rapid Response, WIA Title II Adult Education and Literacy, national and state WIA discretionary grants, WIA youth program, etc.)
- Trade adjustment assistance
- Department of Labor National Emergency Grants
- Match funds from employers, industry, and industry associations (including the employer paid portion of on-the-job training and customized training)
- Match funds from joint labor-management trusts
- Employment training panel grants
- Rapid Response set-aside funds used for training services, particularly for long-term unemployed dislocated workers.
- Youth formula funds expended on training for individuals ages 18-21 if:

- 1) the individuals are co-enrolled in either the WIA Adult or Dislocated Worker program, and
- 2) the training meets all requirements set forth in this policy directive.

All records of funds applied as leveraged resources must be kept for independent verification by the Employment Development Department (during monitoring visits). Some examples of documentation would include:

- A commitment letter or written agreement from an employer or training provider
- A training agreement with an employer detailing the employer's contribution
- A copy of the Pell Grant award letter or relevant correspondence from the school
- An executed worksite agreement and participant time record
- A participant progress report and/or evidence of completion

*Costs arising from the recordkeeping required to demonstrate compliance with leveraged resources requirements cannot be included towards fulfilling the 10 percent requirement.*

**ACTION:**

The Oakland WIB and its service providers shall follow this policy. This policy will remain in effect from the date of issue until such time that a revision is required.

**INQUIRIES:**

Inquiries should be addressed to the Oakland WIB's Executive Director.

**APPROVED BY THE WIB:** September 27, 2012