
EMPLOYERS' TRAINING RESOURCE

1600 E. Belle Terrace
Bakersfield, CA 93307

POLICY BULLETIN: ETR #29b-26

TO: All ETR and ETR Providers of Service

FROM: Brandon J. Evans, Chief Workforce Development Officer *BJE*

DATE: August 17, 2026

SUBJECT: Incumbent Worker Training Policy*

*For Employed Worker, see ETR Policy Bulletin #16b-19

This Policy Bulletin Supersedes Any Previously Issued Policy Statements Concerning Incumbent Worker Training with Changes Indicated in Bold, Italic Type.

REFERENCES

Employment Development Department Workforce Services Directive 19-01

Title 20 Code of Federal Regulations (CFR) Sections 680.780 – 680.820

WIOA Incumbent Worker Training Application - see Attachment 1

BACKGROUND

This policy establishes the local requirements and procedures for administering Workforce Innovation and Opportunity Act (WIOA) Incumbent Worker Training (IWT) within the Kern, Inyo, and Mono (KIM) Workforce Development Area. IWT is a business service that supports employers in maintaining a skilled workforce by upgrading the skills of existing employees, increasing employer and employee competitiveness, supporting career pathway advancement and income mobility, and assisting employers in retaining employees and averting layoffs. This policy provides guidance and establishes the local procedures regarding IWT as part of a comprehensive regional sector pathway program and strategy for developing a skilled workforce and income mobility.

INCUMBENT WORKER VERSUS EMPLOYED WORKER

While IWT is for “employed” workers, the criteria and eligibility differ. Unless an IWT worker is co-enrolled into Workforce Innovation and Opportunity Act (WIOA) Adult or

Dislocated Worker services (i.e., a registered participant), the IWT candidate does not have to meet the eligibility criteria to receive Career Services and/or the wage requirements to receive Training Services. In addition, the locally defined "priority for service" will not apply to IWT candidates.

IWT is part of a strategy designed to meet the special requirements of an employer to train its current employees. Per Employment Development Department (EDD) Workforce Services Directive (WSD) 19-01, 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. All individuals receiving IWT must be entered into the State's reporting system, CalJOBS. Local Area staff must also ensure that the employer participating in IWT is registered as a preferred employer (recruiting employer) in CalJOBS. Both are required for reporting at the federal and state level.

The WIOA defines IWT as a business service; therefore, the delivery of IWT does not require the use of an Individual Training Account or the training program be listed on the Eligible Training Provider List (per WSD 19-01). The choice and method of training are determined by the employer.

EMPLOYER QUALIFICATIONS

California State guidance establishes that local Workforce Development Boards (WDB) shall institute a policy framework that describes the criteria to be used in determining whether an employer is eligible for an IWT contract. WIOA requires employers participating in the IWT program to be registered as a preferred employer in CalJOBS and to pay for the non-Federal share of the cost of training and requires local boards to establish the criteria for the non-Federal share.

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. IWT is designed to help businesses:

- Retain a skilled workforce or avert the need to lay off employees by assisting the workers in obtaining the skills necessary to retain employment; and/or
- Provide training that will result in progression on a career pathway and income mobility.

IWT must increase the competitiveness of the employee or the employer. IWT commits the employer to:

- Retain the trained incumbent worker(s) for at least six (6) months following training completion; and/or
- Promote the incumbent worker(s) to higher paying positions; and/or
- ***Provide a tangible benefit to the employees who receive IWT; and/or***

- Give the 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)

For an employer to be eligible to receive WDB IWT funds, it must:

1. Have and provide a valid California Employer Account Number, and
2. Be an equal opportunity employer compliant with all state and federal laws pertaining to fair labor and employment practices, and
3. ***Successfully complete the WIOA Incumbent Worker Training Application (Attachment 1), which is subject to change from time to time.***

INCUMBENT WORKER QUALIFICATIONS

Per WIOA, states and local areas must establish policies and definitions to determine which workers, or groups of workers, are eligible for incumbent worker services (per 20 CFR Section 680.780).

To qualify for IWT in the Kern, Inyo and Mono (KIM) Workforce Development Area (WDA) programs, the participant needs to be employed and meet the Fair Labor Standards Act requirements for an employer-employee relationship and meet the Selective Service requirements.

In addition, the majority of employees in a given cohort of employees being trained must have an established employment history with the employer for six (6) months or more. If only one incumbent worker is being trained, that employee must have been employed for at least six (6) months with the employer.

OTHER IWT CRITERIA

Other IWT criteria factors Local Boards determine are appropriate may include, but are not limited to, the following:

- The characteristics of the individuals in the program (i.e. quality of work, desire to promote, likelihood of success, etc.),
- The relationship of the training to the competitiveness of the individual(s) and the employer,
- The number of employees that will train,
- Wages and benefits, including post training increases,
- Existence of other training opportunities provided by the employer, and
- Utilization as part of a larger sector and/or career pathway strategy.

NON-FEDERAL/EMPLOYER SHARE

Employers participating in the IWT program are required to contribute to the cost of training through cash or in-kind (known as Non-Federal/Employer Share). The required amount of employer contributions is based on the total number of employees at all locations operated by the employer in California:

- 10% contribution with 50 employees or less,
- 25% contribution if between 51 and 100 employees, or
- 50% contribution if more than 100 employees.

The Non-Federal/Employer Share may include:

- Wages paid by the employer to the participating employee while the employee is attending the incumbent training program,
- Cost of books, tools, and/or supplies,
- Cost of registration, tuition, other school fees,
- Cost of the teacher/instructor,
- On-the-job portion of the training if required for certification/licensing (i.e., clinical hours, required job-shadow hours, etc.), or
- Other costs which are fairly evaluated.

WDB SHARE OF COST

The WDB's share of the cost of training includes the delivery of IWT (e.g., teacher, books, materials) but excludes the cost of individual wages paid by the employer while the employee is attending/participating in the training. The WDB may reserve and use not more than 20% of the funds allocated to the Local Area to pay for the Federal share of the cost of providing training through a training program for incumbent workers. ***The local reimbursement cap per trainee is \$7,500.***

IWT PERFORMANCE AND REPORTING REQUIREMENTS

Individuals who only receive IWT are not included in the WIOA Adult or Dislocated Worker Program performance calculations. However, the DOL requires Local Boards 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 skills 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.

In addition to the aforementioned performance, KIM WDB has the responsibility, in partnership with the employer, to ensure all training is completed and certificates of completion are obtained for each trainee and retained locally. The certificate of completion shall serve as a Measurable Skills Gain. The collection of Social Security Numbers (SSN) as part of the training contract with the employer is strongly encouraged to reduce the reporting burden as the EDD will conduct a base wage match to obtain their employment and earnings. For those individuals that may have a pseudo-SSN, it is the Local Board's responsibility to provide supplemental data. Additionally, it is the Local Board's responsibility to capture and enter credential information into CalJOBS for each IWT individual.

Employers shall provide all documentation necessary for ETR to satisfy federal, state, and local reporting requirements, including training attendance, completion certificates, credential documentation, employer cost share documentation, employee rosters, and any required completion and outcomes reports outlined in Attachment 1.

INQUIRIES

If you have questions, please contact ***the ETR Workforce Development Program Manager.***

Attachment 1: WIOA Incumbent Worker Training Application

Incumbent Worker Training Application

The Workforce Innovation and Opportunity Act (WIOA) Incumbent Worker Training (IWT) Program provides funding to assist employers in upgrading the skills of their existing workforce. IWT is a business service designed to help employers maintain a skilled workforce by increasing employer and employee competitiveness, supporting career pathway advancement and income mobility, responding to technological or operational changes, and assisting employers in retaining employees and averting layoffs.

ELIGIBILITY

Applications are open to eligible employers located within the Kern, Inyo, and Mono (KIM) Workforce Development Area. The IWT Program is intended primarily for private-sector employers seeking to upgrade the skills of their existing workforce. Nonprofit organizations and local government entities may be considered when consistent with WIOA requirements and local policy.

To be eligible for IWT funding, an employer must:

- › Have a valid California Employer Account Number (EAN).
- › Be registered as a Preferred Employer (Recruiting Employer) in CalJOBS.
- › Be compliant with all applicable federal, state, and local labor and employment laws, including Equal Employment Opportunity requirements.
- › Be current on all applicable state tax obligations.
- › Successfully complete the IWT Application and provide all required supporting documentation.

IWT funds are not available to a business that has relocated if the relocation resulted in the loss of employment at the previous location until the business has operated at the new location for at least 120 days.

INCUMBENT WORKER DEFINED

To qualify as an incumbent worker under the WIOA, the employee must:

- › Be currently employed by the applicant employer.
- › Meet the Fair Labor Standards Act requirements for an employer-employee relationship.
- › Meet Selective Service requirements, when applicable.
- › Have an established employment history with the employer of at least six (6) months. When training is provided to a cohort of employees, the majority of participating employees must have been employed by the employer for at least six (6) months.

Temporary employees who are employed through a staffing agency and do not have an employer-employee relationship with the applicant business are not eligible as incumbent workers.

Incumbent workers are not required to meet WIOA Adult or Dislocated Worker eligibility requirements unless they are co-enrolled in those programs.

NON-FEDERAL/ EMPLOYER SHARE

Employers participating in the IWT Program are required to contribute a non-federal share toward the cost of training. The required contribution is based on the total number of employees employed by the employer at all California locations.

- 10% for employers with 50 or fewer employees
- 25% for employers with 51-100 employees
- 50% for employers with more than 100 employees

Employer contributions may be provided as cash or in-kind contributions and may include employee wages paid while attending approved training, tuition, registration fees, books, instructional materials, training supplies, instructor costs, certification or licensing fees, required on-the-job training or clinical hours, and other allowable training-related costs that are fairly evaluated.

REPORTING REQUIREMENTS

Employers shall provide the information necessary to identify participating employees in CalJOBS, including:

- | | |
|---------------------------|---|
| ➤ Participant's name | ➤ Actual training start date and Projected training end date |
| ➤ Date of birth | ➤ Last four of participant's Social Security Number, or CalJOBS User ID or State ID |
| ➤ Gender | ➤ Disability status |
| ➤ Ethnicity | ➤ Race |
| ➤ Veteran status | ➤ Limited English Proficiency |
| ➤ Highest grade completed | ➤ Current hourly wage |
| ➤ Training course name | ➤ ONET/NAICS code for training |

Employers shall also provide documentation necessary to satisfy federal, state, and local reporting requirements, including training attendance records, certificates of completion, credential documentation, employer cost share documentation, employee rosters, and any required completion and outcomes reports.

ALLOWABLE TRAINING COST:

Subject to approval, WIOA IWT funds may reimburse allowable costs including:

- | | |
|-------------------------------|---|
| ➤ Tuition | ➤ Instructional materials |
| ➤ Registration fees | ➤ Consumable supplies |
| ➤ Instructor or trainer costs | ➤ Certification and licensing fees |
| ➤ Textbooks | ➤ Other approved training-related costs |

Employee wages while attending training are not reimbursable with WIOA funds but may be counted toward the employer's required non-federal share.

The local reimbursement cap is **\$7,500** per trainee.

APPLICATION REVIEW

IWT applications are evaluated competitively. Consideration may include, but is not limited to:

- Relationship of the training to employer competitiveness
- Relationship of the training to employee competitiveness
- Alignment with regional sector and career pathway strategies
- Wage progression or promotion opportunities
- Number of employees to be trained
- Industry-recognized credential attainment
- Employer investment in workforce development
- Career pathway advancement
- Employee retention or layoff aversion
- Previous participation in the IWT Program

The following application questions are used to evaluate the proposed training based on local IWT criteria, including business need, employee and employer competitiveness, employee retention, career pathway advancement, anticipated training outcomes, and other factors identified in ETR Policy Bulletin #29b-26. Submission of an application does not guarantee funding.

APPLICATION SUBMISSION

Complete the attached IWT Application to apply for funding. Any question(s) that cannot be answered in the space provided should be answered on a separate sheet of paper and attached to the back of the application form. Submit the signed, completed application to:

***Employers' Training Resource
Business Center
1129 Olive Drive Ste. C
Bakersfield, CA 93308***

IT IS RECOMMENDED THAT YOU SUBMIT YOUR APPLICATION AT LEAST 30 DAYS PRIOR TO THE PROJECTED START DATE OF TRAINING.

If you have any questions or need assistance in completing the application, please contact:

***Susie Vasquez
Workforce Development Program Manager
Business Center
(661) 336.6650***

Incumbent Worker Training Application

SECTION 1. Business Information

Business Name:

Authorized Business Representative:

Title:

Phone:

Ext.:

Fax:

Email:

Website Address:

Address:

City:

Zip:

County:

Date of Inception:

Years in Business:

Total Number of Full-time Employees:

Total Number of Part-time Employees:

Total Number of Full-time Employees at all California locations:

Total Number of Part-time Employees at all California locations:

Legal Structure of Business:

Sole Proprietor

Partnership

Corporation (Designation:)

Employer's Federal ID #:

California Employer Account Number (EAN):

NAICS Code:

Is your business current on all State of California tax obligations?

YES

NO

Has there been a layoff at this site within the last 12 months?

YES

NO

If yes: Temporary Layoff - Number affected:

Permanent Layoff - Number affected:

Has the business or part of the business relocated operations within the last 12 months?

YES

NO

If yes: Relocated from:

Relocated to:

Date of Relocation:

Amount of Funding Requested:

Number of Trainees:

Start Date:

End Date:

Type(s) of training proposed (ex: Maintenance, Quality, Computer, etc.):

SECTION 2. Business Need and Training Justification

Please check all boxes that apply. Attach additional sheets if necessary.

The proposed training is intended to address (check all that apply):

Business expansion

Changing industry requirements

Retooling of our business process

The introduction of new services/product lines or occupational skills requirements

New organizational structuring

Layoff Aversion

New technology

Competitive business expansion

Career pathway advancement

Increased employee competitiveness

Please provide an explanation of the selections above:

SECTION 3. Training Project Information

Up to 2 training programs may be requested on each application. If you would like to request more, please complete additional applications as necessary. *Please list in order of priority for your business.*

TRAINING #1

Name of Training:

Training Description:

Training Institution/School:

Address:

City:

State:

Zip:

Name of Trainer (if in-house):

Phone:

Anticipated Training Dates:

Projected Number of Hours of Training:

Number of Trainees:

Job Title(s) and Length(s) of Employment:

Industry Recognized Certificate/Credential:

BUDGET Tuition/Instructor Costs:

*Materials/Supplies/Textbooks:

*Other Costs:

Total Cost:

**Please itemize costs related to materials, supplies, textbooks, and other costs here:*

TRAINING #2

Name of Training:

Training Description:

Training Institution/School:

Address:

City:

State:

Zip:

Name of Trainer (if in-house):

Phone:

Anticipated Training Dates:

Projected Number of Hours of Training:

Number of Trainees:

Job Title(s) and Length(s) of Employment:

Industry Recognized Certificate/Credential:

BUDGET Tuition/Instructor Costs:

*Materials/Supplies/Textbooks:

*Other Costs:

Total Cost:

**Please itemize costs related to materials, supplies, textbooks, and other costs here:*

SECTION 4. Training Program Budget

Please note: Employer must contribute to the cost of the training project, with minimum contributions of:

- (1) 10% contribution with 50 employees or less,
- (2) 25% contribution if between 51 and 100 employees,
- (3) 50% contribution if more than 100 employees.

BUDGET CATEGORY	NON-FEDERAL/ EMPLOYER SHARE	TRAINING ASSISTANCE REQUESTED	TOTAL
TUITION / INSTRUCTOR COSTS			
MATERIALS/SUPPLIES/TEXTBOOKS			
WAGES PAID WHILE ATTENDING TRAINING	XXXXXXXXXXXXXXXXXX		
EMPLOYER COST SHARE	XXXXXXXXXXXXXXXXXX		
OTHER ALLOWABLE TRAINING COSTS			
TOTAL			

Note: Wages paid to employees while attending training may be used as the employer's contribution to the cost of training

Expected Training Outcomes

- ☐ Employee retention
- ☐ Industry-recognized credential
- ☐ Wage progression
- ☐ Promotion opportunities
- ☐ Increased employee competitiveness
- ☐ Career pathway advancement

SECTION 5. Certification by Authorized Business Representative

Approval of this application does not constitute a contractual agreement. If the application is approved, the employer and Employers' Training Resource will execute an Incumbent Worker Training Agreement before any funds are obligated or training begins. Training may not commence prior to the effective date of the agreement.

I certify that all information provided in and attached to this application is true and accurate. I understand that any false statements or intentional omissions may result in civil or criminal penalties for filing false public records and/or forfeiture of any funds awarded through this program.

Signature:

Print Name:

Title:

Date: