

Mass Workforce Issuance

Workforce Issuance No. 10-39

Policy Information

To: Chief Elected Officials
Workforce Investment Board Chairs
Workforce Investment Board Directors
Title I Administrators
Career Center Directors
Title I Fiscal Officers
DCS Regional Managers

cc: WIA State Partners

From: Michael Taylor, Director
Department of Workforce Development

Date: April 29, 2010

Subject: **NEG Opportunity: On-the Job Training Grant**

Purpose: To inform local workforce investment areas of the potential to receive ARRA NEG funds specifically to provide On-the-Job Training (OJT).

Background: On April 12, 2010, the Employment and Training Administration (ETA) issued Training and Employment Notice (TEN) No.38-09 (see link, below) announcing the one-time availability of up to \$90 million in funding to states for On-the-Job Training (OJT) National Emergency Grants (NEG) funded through the American Recovery and Reinvestment Act (ARRA). These NEG funds will be available for expenditure from the date of award through June 30, 2012.

NEGs are discretionary grants awarded by the Secretary of Labor (the Secretary), under section 173 of the WIA, as amended, to provide employment-related services for dislocated workers. NEGs are intended to temporarily expand service capacity at the state and local levels by providing time-limited funding assistance in response to significant dislocation events. The Secretary has determined that the widespread scope of recession-related layoffs that have occurred across the country and their significant impact on the workforce system's ability to assist laid-off workers, is a significant dislocation event for purposes of one-time ARRA-funded NEG assistance.

NEGs are a critical tool in helping workers and communities recover from the effects of the economic downturn by providing WIA services to eligible program

participants. WIA services include core and intensive services and training. Training may include occupational skill training, OJT, entrepreneurial training, skill upgrading, job readiness training and adult education and literacy activities. These grants will focus on providing OJT opportunities in order to more rapidly train dislocated workers for unfilled job placements.

Funds will be made available to states to plan and implement OJT programs in partnership with State Workforce Investment Boards, Local Workforce Investment Boards, CBOs, and other intermediaries in areas of high unemployment to expand outreach and recruitment of OJT opportunities for both participants and employers. States are invited to create and build upon existing partnerships that will allow for the greatest number of OJT NEG opportunities while targeting populations with the greatest barriers to reemployment.

As part of this initiative, ETA encourages states to plan a strategic approach and develop a NEG application that would greatly expand OJT activities for hard-to-serve populations with the greatest barriers to reemployment. Participating employers may be reimbursed for the extraordinary costs of the training at a rate **up to 90 percent** of an OJT participant's wage rate. Reimbursement above the normal 50 percent rate will be based on: (1) employer size; and, (2) the gap between the participant's initial skill level and the skill level needed to perform the job. The state's application will need to identify the OJT provisions to be waived and why it is needed.

Action

Required:

The Commonwealth is seeking the participation of its local area partners in the collection of information that will inform the development of our state's OJT/NEG application. DWD/DCS will work in concert with interested regions to develop the application, design the Massachusetts model, and develop policies, guidance and tools to facilitate the implementation of the OJT NEG project.

Please respond regarding your local area's interest in participating in this grant opportunity. In your response, please include succinct information with regard to your area's ability to address the elements that will eventually be required in the implementation plan, as listed below.

- Create OJT opportunities in the private and private non-profit sectors that provide appropriate skill acquisition opportunities for participants (OJT opportunities may not be created in the public sector using these funds).
- Establish collaborative partnerships that will contribute to and support the creation of OJT opportunities. Partnerships should contribute to the development of additional recruitment and outreach services to those communities most impacted by the current economic recession.
- Provide a credible plan for local recruitment of participating employers.
- The OJT NEG project is intended to serve areas of the state that have been disproportionately impacted by the current economic downturn and provide OJT opportunities to those areas with the highest levels of poverty and with the lowest employment to population ratio. How does your local

region fit this profile?

- Focus on populations with the greatest barriers to reemployment.
- Identify and develop a skilled and diverse pipeline of workers by using the experience and expertise of CBOs and other intermediaries to help in the recruitment of both eligible OJT NEG participants and OJT training opportunities.
- Identify workers from those industry sectors that experienced high rates of job loss during the recession; such as: construction, manufacturing, transportation and logistics, and administrative and support services who can benefit from an OJT opportunity in a new occupation or industry; or recently dislocated workers who are now transitioning from temporary or under-employed situations.

NOTE:

Please send your response no later than Friday, May 7, 2010 to Lisa Caissie at Lcaissie@detma.org.

As it is DWD's goal to submit a complete NEG application to DOL by **May 28th** a follow up meeting will be held on or about **Thursday, May 13th**. Once the date and location is finalized, notice will be forwarded under separate cover.

To access the full text of TEN No. 38-09 click on the following link:

<http://wdr.doleta.gov/directives/attach/TEN/ten2009/ten38-09acc.pdf>

Inquiries: Please direct inquiries to Diane Hurley at Dhurley@detma.org.