ATTACHMENT A

OJT/NEG Project Administrative and Operational Guidance

The Massachusetts OJT/NEG Project is intended to stimulate local business hiring activity, especially of long-term unemployed dislocated workers. It will help companies reduce training costs while providing newly hired individuals with the skills necessary to meet the employer's specific business needs. In conjunction with the project, Local Workforce Investment Boards (LWIBs) and One-Stop Career Centers will actively engage businesses, local economic development entities and other partners to identify needed skill sets and create OJT opportunities.

To implement the project, two regional Primary Operators have been designated: the Regional Employment Board of Hampden County and the Greater New Bedford Workforce Investment Board. The two Primary Operators will follow a common contract/vouchering process utilizing standard forms (see Attachments B1, B2, C - N) to assure access and participation on the part of each of the Commonwealth's sixteen workforce areas and to provide added access to on-the-job training services to dislocated workers on a statewide basis.

The Commonwealth's OJT/NEG Project includes the following elements:

1. **Master Agreement**
   Each local area fiscal agent will enter into a Master Agreement (based on the Commonwealth's OJT vouchering model) with one of the two designated Primary Operators for reimbursement for costs associated with developing OJT/NEG opportunities in the local area and providing related intensive employment services, including case management to dislocated workers participating in the OJT/NEG Project.

   Each of the following local areas should execute a Master Agreement (Attachment B1) with its designated Primary Operator, the Regional Employment Board of Hampden County:

Berkshire	Lower Merrimack Valley
Central MA	Metro South/West
Franklin/Hampshire	North Central
Greater Lowell	

   Each of the following local areas should execute a Master Agreement (Attachment B2) with its designated Primary Operator, the Greater New Bedford Workforce Investment Board:

Boston	Metro North
Bristol	North Shore
Brockton	South Shore
Cape & Islands	

   Any local area that has not executed a Master Agreement with the designated Primary Operator by December 1, 2010 will forfeit access to voucher payments described in Number 10, below.

2. **Employer Outreach**
In addition to outreach conducted by the Commonwealth's One-Stop Career Center system, local areas are encouraged to partner with community-based organizations (CBOs), business organizations and economic development entities to identify potential trainees and interested employers. Additionally, local career center Business Service Representatives (BSRs) will directly market OJT as a viable business solution to local employers.

In certain instances OJT initiated through "reverse referral" may be permitted under this grant. Reverse referral occurs when an individual is referred to the career center from a prospective employer (under either formal or informal agreement) for assessment as to whether or not the individual meets the employer's hiring requirements for a specific position. Development of an OJT for an individual referred by the employer may be permitted only when:

- ✓ the individual progresses through the intake process as would any other career center customer and meets all requirements for eligibility as a dislocated worker, as specified in the OJT/NEG Policy;
- ✓ the completed case plan indicates training is necessary for the individual to perform the work associated with the position for which the employer has an opening to fill;
- ✓ the employer meets all of the eligibility requirements under the OJT/NEG grant; and
- ✓ the employer provides assurance that the individual has not previously been employed by the employer in the same or similar position.

If each of the above elements are met and upon assessing the individual's skills and abilities it is determined that with additional training the individual would meet the employer's requirements for the position, OJT may be considered as long as the individual's overall customer choice with regard to other training options is not limited (as is the case with respect to any potential OJT/NEG Project trainee).

3. **Single Point of Contact Designation**
Each local area will designate an individual as its single point of contact (SPoC). In accordance with the Master Agreement, the SPoC will coordinate all OJT activities undertaken in conjunction with this grant including, but not limited to, the contract development process with the employer on behalf of the Primary Operators, local monitoring of OJT progress, vouchering and project reporting.

4. **Employer OJT Eligibility Assessment**
Utilizing the Employer Eligibility Checklist (Attachment D) developed especially for OJT; a local area will conduct an assessment of each business indicating an interest in OJT/NEG Project participation to determine its qualifications. To be eligible an employer must:
    - **a)** not be a public entity, gambling establishment, swimming pool, aquarium, zoo or golf course;
    - **b)** not offer temporary, intermittent, seasonal, or part-time employment (defined for purposes of this project as less than thirty-two hours per week) in the proposed OJT position;

c) not offer employment in the proposed OJT position for which the participating employee/trainee must pay a fee as either a condition of hiring or of retaining employment after successful completion of training;

d) commit to continued employment of the trainee after successful completion of training;

e) assure that it will compensate the trainee at a rate that is, at the very minimum, consistent with either the federal or state minimum wage rate, whichever is higher, but must also be comparable to the compensation rate for the employer's regular workers in the same occupation and possessing commensurate skills and experience;

f) assure that the trainee has the same workers' compensation coverage and benefit package as regular employees of comparable tenure and experience employed in the same or similar position;

g) not have exhibited a previous pattern of failing to continue to employ on-the-job trainees for a reasonable period after successful completion of training;

h) not have relocated within 120 days of the proposed start of the OJT contract period that resulted in layoffs at the prior location;

i) not be currently engaged in a work stoppage;

j) not have displaced a regular worker (either fully or partially) to hire the proposed trainee;

k) assure that OJT funds will not be used to assist, promote or deter (either directly or indirectly) union organizing;

l) assure that it will comply with all non-discrimination and equal opportunity provisions of the Workforce Investment Act of 1998 and its regulations and other related federal or state statutes;

m) assure that it is compliant with all tax requirements of the Commonwealth of Massachusetts [including requirements regarding debarment and Division of Unemployment Assistance (DUA) compliance (see No. 8, below)];

n) provide a current MA Certificate of Good Standing and/or Tax Compliance (Attachment N). To be deemed current, the Certificate must be dated no earlier than 6 months prior to the start date of the OJT. The employer must request the Certificate from the MA Department of Revenue. The request may be made through the following link:

https://wfb.dor.state.ma.us/webfile/Certificate/Public/WebForms/Welcome.aspx

5. Training Participant Recruitment/Assessment/Orientation

Local areas will identify potential candidates for OJT/NEG Project participation from those long-term unemployed registrants (defined for purposes of this Project as being unemployed for no less than 22 weeks and laid off on or after January 1, 2008) whose individualized formal assessment, using a standardized assessment tool, indicates they possess the necessary skills and attributes necessary to successfully complete the employer's training. Potential participants may be provided an opportunity to consider OJT as long as such consideration does not diminish the individual's ability to choose from among other methods of receiving approved training services, such as through an ITA. Local areas will also consider eligible youth (up to age 24 under ARRA) for OJT when the youth's training plan identifies employment goals and achievement objectives supporting the use of OJT.

As cited elsewhere in this policy, the eligibility requirements that an individual had been unemployed for a minimum of 22 weeks and laid off on or after January 1, 2008 applies to OJT positions funded with OJT/NEG funds and also to OJT positions funded with designated Rapid Response funds to which a Rapid Response voucher payment is applied.

6. Training Plan Development with Employer

The local area will develop a training plan with the participating employer that:

- ✓ Identifies Requisite Skills – identifies the specific skills and any applicable certifications needed for the occupation as required by the employer for the job;
- ✓ Identifies Skills Gap – using the Skill Gap Worksheet (Attachment O) identifies the specific additional skills to be learned by the OJT participant as determined by the assessment of the participant's current skills and experience in comparison to what is required for successful performance in the position; and
- ✓ Determines the Duration - the normal training duration for the occupation based on the Specific Vocational Preparation (SVP) code as determined through O*NET. In no circumstance may the period of training exceed 26 weeks. O*NET may be accessed by clicking on the following link:

http://www.doleta.gov/programs/onet/

7. Support Services

$10,000 in NEG funds as well as $2,000 in Rapid Response funds have been reserved to cover the support service needs of participating trainees. Support Services shall be available to eligible participants based on funding availability and in accordance with the pertinent local area's Support Services Policy as established by the local area per MassWorkforce Issuance No. 07-56. Each local area shall submit a copy of its Support Services Policy to its designated Primary Operator along with the signed Master Agreement.

A maximum limit of $500 per trainee has been established to assist with services such as transportation, child care, housing, dependent care, medical care and job-related tool and uniform costs necessary to enable an individual to participate in the contracted OJT.

The cost of needed Support Services will be covered through "up front" payments by the local area to either the individual directly, or to a third-party provider, depending on the specific Support Service and in a manner consistent with the area's local policy. The local area shall subsequently invoice (Attachment M) its designated Primary Operator for Support Services reimbursement (up to the $500 project maximum) at the conclusion of the OJT contract period, in a single payment. If local policy limits support services to an amount that is less than the $500 maximum for this project, local areas may only pay for support service up the amount established by the local policy. If the local policy establishes a payment limit that is greater than or equal to the project's $500 individual limit for support service payments, the local area may cover the full amount with local funds, but may not request reimbursement from the Primary Operator for any amount in excess of the $500 project limit.

8. Employer OJT Contract and Monitoring

Only a single OJT/NEG Project trainee may be covered by each OJT contract. The local area will complete all elements (except for the Primary Operator Signature) of the On-the-Job Training Contract form (Attachment F) and the OJT Justification form (Attachment G).

The participating OJT employer must be compliant with all tax requirements of the Commonwealth of Massachusetts (including requirements regarding debarment and Division of Unemployment Assistance (DUA) compliance). Said compliance will be demonstrated through the signed contract that includes relevant language in the form of an employer assurance to such effect and by provision of the employer's Certificate of Good Standing and/or Tax Compliance (see No. 4, above) forwarded by the local area to the designated Primary Operator. The Primary Operator cannot execute the OJT contract without a current Certificate from the employer. The Certificate will be considered current only if it is dated within the six-month period prior to the start date of the contracted OJT.

The pertinent Primary Operator will monitor the OJT contract through regular program, fiscal, and desk reviews. The Primary Operator will conduct program and fiscal reviews during the OJT contract period by means of an on-site visit to the local One-Stop Career Center and/or fiscal agent to ascertain that OJT files are complete and appropriately updated, including both employer and trainee eligibility assessments, review of payroll records and employer invoices.

9. Employer OJT Reimbursement

For purposes of this grant/project, ETA has established a wage cap policy that the training reimbursement level is not to exceed a percentage (based on the sliding scale below) of the state's *average wage* rate. The current Massachusetts average wage level as determined by the Bureau of Labor Statistics is $25.34*.

- ✓ A company of 50 or fewer employees will be reimbursed at a rate of 90% up to a maximum level of $22.81 based on the Commonwealth's average wage rate.
- ✓ A company of 51-250 employees will be reimbursed at a rate of 75% up to a maximum level of $19.01 based on the Commonwealth's average wage rate.
- ✓ A company of 251 or more employees will be reimbursed at a rate of 50% up to a maximum level of $12.67 based on the Commonwealth's average wage rate.

While OJT/NEG contracts may be written with employers who pay participants more than the Commonwealth's average wage, the employer cannot receive a training reimbursement in excess of the relevant percentage (based on number of employees) as applied to the capped level.

* As cited elsewhere in this policy, ETA determines each state's average wage rate on an annual basis. To the extent possible, local areas will be provided advance notice of any new determination of the Commonwealth's annual wage rate.

10. Local Area Voucher Payments

Voucher reimbursement payments will be made to the local area only for non-training intensive services provided by the local One-Stop Career Center system (the OJT reimbursement made to the participating employer for extraordinary costs incurred while providing the training will be made directly to the employer by the Primary Operator

under a separate contract). Voucher payments are made to the local area for the following OJT-related services/functions:

- ✓ OJT/NEG Project outreach, assessment, enrollment, training plan development, case management and follow-up;
- ✓ Employer contract development; and
- ✓ Placement of the individual into a paid, on-the-job training slot with a participating employer, and related OJT review activity.

OJT Contracts Paid with OJT/NEG Funds - Except for the local areas of the two designated OJT/NEG Primary Operators, each of the Commonwealth's other fourteen workforce investment areas is initially guaranteed a $3,300 voucher payment for each of the first two OJT/NEG trainees whose training is paid with OJT/NEG funds.

Following the execution of the Master Agreement between the area's fiscal agent and the designated Primary Operator, each local area's OJT/NEG Project activity will be reviewed after April 29, 2011. As stated elsewhere in this Policy, the Master Agreement must have been executed with the Primary Operator no later than December 1, 2010.

For those areas that have not executed OJT/NEG contracts for the two guaranteed NEG Voucher payments, an analysis will be undertaken by the Primary Operator as to whether or not the area is making progress in finalizing OJT/NEG contracts as documented by the OJT Employer Eligibility Checklist (Attachment D). If after April 29, 2011, progress is insufficient (an Employer Eligibility Checklist has not been completed and signed) the project funds reserved for the NEG voucher payment to the local area will revert to use by the Primary Operator for voucher payments to all local areas available on a first-come, first-served basis dependent upon the availability of NEG voucher funding..

For those areas where the OJT Employer Eligibility Checklist is complete and signed by the local area and approved by the pertinent Primary Operator, the Primary Operator may extend the area's NEG voucher payment guarantee period for an additional two-month period (60 calendar days). If, after the two-month extension, an OJT/NEG contract has not been executed for the employer identified on the OJT Employer Eligibility Checklist submitted to the Primary Operator, the local area will forfeit the right to receive funds reserved for NEG voucher payments.

- ✓ An invoice for an NEG voucher payment may be submitted only upon confirmation by the Primary Operator that an OJT/NEG contract has been executed within 60 days of the submission of an OJT Employer Eligibility Checklist.
- ✓ Local workforce areas will submit NEG voucher payment invoices only to the Primary Operator with which it has an executed Master Agreement (see No.1, above).
- ✓ Incomplete or inaccurate invoices may be returned to the local area for correction.

OJT/NEG Contracts Paid with Rapid Response Funds - Rapid Response voucher payments will be made in the amount of $3,300 for each OJT/NEG Project trainee for whom a NEG voucher payment was not made. While there is no limit on the number of Rapid Response voucher payment invoices (Attachment M) that can be submitted by a local area, payments will be made on a first come, first served basis dependent on the availability of Rapid Response voucher funds.

As with NEG voucher payments, to receive Rapid Response voucher payments the Master Agreement must have been executed with the Primary Operator no later than December 1, 2010.. Additionally, the OJT contract must be executed within 60 calendar days of the submission date of the OJT Employer Eligibility Checklist.

- ✓ Local areas may invoice for a Rapid Response voucher payment only for a long-term unemployed individual (unemployed for 22 weeks or longer and who was laid off on or after January 1, 2008). A local area may not invoice for a Rapid Response voucher payment for any OJT trainee who has not been unemployed for at least 22 weeks.
- ✓ Local Areas may invoice for a Rapid Response voucher payment for either a Rapid Response funded *or* an OJT/NEG funded training position. Rapid Response voucher payments are $3,300.
- ✓ Rapid Response funds for vouchers and on-the-job training will be available on a first-come, first-served basis until all funds are expended, or until March 31, 2012, whichever event occurs first.

11. Training Participant Case Management

Each OJT/NEG trainee will be case-managed in a manner consistent with the Commonwealth's case management policy described in WIA Communication No. 04-34, Case Management for Job Seeker Customers (4/29/04). For OJT there is an expectation of consistent, ongoing communication between appropriate OSCC staff, the trainee and the employer. It is strongly recommended that a visit to the job site be conducted during the first two weeks of the OJT period to ensure that the all contracted elements are in place.

NOTE: Should a participant's assessment identify a need for an additional training component deemed necessary in order for the individual to successfully participate and complete the OJT, said additional training will be paid with local funds and not project funds (neither NEG nor Rapid Response funds).

12. Employer OJT Progress Reviews

Participating employers will submit monthly progress reports (Attachment I) in accordance with terms described in the OJT contract. In the monthly progress report, employers document the trainee's progress in acquiring the occupational skills specified in the training plan. The monthly progress report will be signed by both the employer and trainee, and then submitted to the local area. The monthly progress report may either accompany employer invoices or be submitted separately.

13. Follow-up Services

Upon completion of the planned on-the-job training service, focus will shift to follow-up activity to support the participant's long term retention in employment. In accordance with WIA requirements, follow-up must be available for the 12-month period following the completion of training. Follow-up services may include, but are not limited to additional career planning/counseling, assistance with workplace issues, peer support groups, additional education information and referral to supportive services (excluding needs-related payments).

14. Monitoring

Local Area Review
On-site compliance/progress reviews will be conducted by the designated local area entity in accordance with the schedule and terms of the executed OJT contract. At minimum, two local area OJT reviews, including one on-site visit, will be conducted during the term of the OJT/NEG contract period to review the employer's compliance with the training plan and other contractual stipulations. The review will also include discussions with both the employer and trainee to determine the trainee's progress and to identify issues in need of resolution (Attachment J). All identified issues should be mediated as part of the onsite review process. Reports generated from the reviews will be kept on file at the local area.

Primary Operator Review
At a minimum, the Primary Operator will conduct one on-site Operator Review for each local area in which it has an executed OJT employer contract. The on-site Operator review will include an in-depth analysis of the programmatic and fiscal activity for each OJT position undertaken within the local area. Part One of the required Operator Review will include an on-site review with the pertinent One-Stop Career Center (including the designated SPoC) to ascertain that OJT files are complete and up-to-date and include documentation relevant to both trainee and employer assessment and eligibility determinations.

Subsequent to the career center review, the Primary Operator will conduct Part Two of the on-site review at the location of at least one participating employer. The review will include a detailed comparison of payroll records and invoices submitted by the participating employer to verify accuracy of hours worked and wages paid relevant to the requested OJT reimbursement. The employer review will also include discussions with the trainee and the trainee's supervisor to determine that all elements of the training plan are being carried out in accordance with the contracted terms and conditions; to assess the trainee's and employer's level of satisfaction with the program of training; and to identify any issues in need of resolution and/or corrective action.

Within 30 days following the completion of its Operator Review, the Primary Operator will provide to both the participating employer and career center a written report detailing the results of its fiscal and program review, including any required corrective action that needs to be taken. The Operator will maintain a copy of the Operator Review Report in its files.

The Operator will also conduct desk reviews for each fiscal action relevant to a contracted OJT position. Such actions include, but are not limited to: submission of employer invoices for reimbursement, requests for support services, and submission of an OJT voucher by a career center. The desk review may include analysis of time sheets, payroll records and other necessary documentation to assure the accuracy and legitimacy of each reimbursement request and to identify any additional action that may be warranted.

DCS Review
The Commonwealth will monitor each designated Primary Operator for compliance with all program and fiscal requirements of this grant project. Using a sampling of OJT/NEG contracts, the DCS Quality Assurance Unit (DCS QA) will review all program elements including employer/trainee eligibility, documentation of trainee case management, trainee

progress, compliance with the Master Agreement and OJT employer contract, and management of fiscal systems. DCS QA will provide a written monitoring report within 30 days of the review.

15. Recordkeeping/Reporting

Individuals participating in the OJT/NEG Project will be identified in MOSES under designations specific to the OJT/NEG Project. Registration and data entry related to services provided to participating individuals will follow standard MOSES procedures for ARRA reporting purposes. OJT/NEG participants may be co-enrolled in other WIA programs. If co-enrolled**, OJT/NEG participants *will not* count against the WIA performance for credential attainment. However, data on credential attainment for individual participants must still be collected and reported to ETA through the WIASRD.

** Under this OJT/NEG Project, extension of on-the-job training beyond 26 weeks through co-enrollment *is not allowed*.

All records relevant to the OJT/NEG grant will be maintained in accordance with the requirements of MassWorkforce Issuance No. 07-57, Record Retention Requirements (8/24/07).