

430 CMR: DEPARTMENT OF UNEMPLOYMENT ASSISTANCE

430 CMR 14.00: WORKFORCE TRAINING FUND

Section

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14.01: Purpose

The purpose of 430 CMR 14.01 through 430 CMR 14.10 is to establish criteria for the payment of contributions into and the disbursement of grants and expenditures from the Workforce Training Fund.

14.02: Scope and Applicability

430 CMR 14.01 through 430 CMR 14.10 applies to contributions paid under M.G.L. c. 151A, § 14L and distributed and expended under M.G.L. c. 29, § 2RR.

14.03: Definitions

The following words and phrases shall have the following meanings unless otherwise clearly indicated by the context of 430 CMR 14.01 through 14.10:

Commissioner means the commissioner as defined by M.G.L. c. 151A, § 1.

High concentration of low-skilled workers means an incidence of workers who lack high school degrees or hold low wage jobs which exceeds the average incidence of such workers in the Massachusetts labor force.

High level of unemployment means an unemployment rate which equaled or exceeded 125% of the statewide average unemployment rate during the most recent calendar year.

Low-wage worker means a worker whose average weekly wage is less than 50% of the most recent average weekly wage as determined under M.G.L. c. 151A, § 29 subsection (a).

Region means service delivery area as defined by 20 CFR § 626.5.

Regional employment board means the board established by St. 1988 c. 164, § 105.

Small business means an enterprise with less than 500 employees.

Technical Assistance means one or more of the following activities: helping companies or their employees identify their training needs and link such needs to a training plan; developing that training plan; providing information on potential training providers to companies or their employees; and assisting applicants to complete applications for training grants from the Workforce Training Fund or other sources.

Wage sufficient to support a family means a wage which exceeds 50% of most recent average weekly wage as determined under M.G.L. c. 151A, § 29 subsection (a).

Workforce development blueprint means the analysis conducted from time to time by Regional Employment Boards of industry and occupational growth trends at the service delivery area level.

## 14.03: continued

Workforce Training Fund means the Fund established by M.G.L. c. 29, § 2RR and funded under M.G.L. c. 151A, § 14L for the purpose of providing grants and assistance for worker training. Such Fund is separate and distinct from the employer's unemployment insurance contributions accounts and from the solvency account established under M.G.L. c. 151A, § 14.

Workforce Training Fund Advisory Panel means a standing advisory body consisting of members of the Advisory Council as established by M.G.L. c. 23, § 9N(a) and other individuals who possess an expertise in private sector workforce training as selected by the commissioner. Such other individuals may include persons drawn from industries, labor organizations and enterprises with substantial experience in the design and delivery of such training; persons who by background and experience are able to evaluate the financial condition of business enterprises and can therefore offer an informed opinion as to whether the award of a training grant to a company would represent a sound investment of public dollars; persons whose primary responsibilities are to represent and advocate for the workplace interests of employees; and persons who have substantial experience in analyzing the effectiveness of workforce training strategies. The number of such individuals shall not exceed five. The duties and responsibilities of such body are, but are not limited to:

- (a) assisting in the development of policies and procedures for carrying out the provisions of M.G.L. c. 29, § 2RR;
- (b) evaluating the outcomes of the grants or technical assistance provided under said M.G.L. c. 29, § 2RR;
- (c) recommending changes to existing policies and procedures;
- (d) providing advice and recommendations to the commissioner regarding the approval of applications for funds for training grants in accordance with 430 CMR 14.07(2);
- (e) providing advice and recommendations to the commissioner regarding the approval of applications for funds for technical assistance activities; and
- (f) providing advice and comments to the commissioner on the report to the legislature required by M.G.L. c. 29, § 2RR(d).

14.04: Reporting and Payment Requirements

- (1) Each employer required to pay a contribution under M.G.L. c. 151A, § 14(i) shall pay, in addition to the contribution due under that section, a workforce training contribution of 0.075% of its unemployment insurance taxable wage base as defined by M.G.L. c. 151A, § 14 subsection (a), clause (4).
- (2) The commissioner may adjust the rate of such workforce training contribution annually in accordance with M.G.L. c. 151A, § 14L.
- (3) Payment of the workforce training contributions shall be made in the same manner and at the same times as the commissioner prescribes for the contribution required by M.G.L. c. 151A, § 14.
- (4) The provisions of St. 1992 c. 26, § 28 and 430 CMR 13.00 *et seq* do not apply to the payment of the workforce training contributions.

14.05: Uses of the Fund

Subject to appropriation, the commissioner shall make expenditures from the Fund for the following purposes:

- (1) To provide training grants to employers, employer groups, labor organizations and training providers for projects to provide education and training to existing employees and newly hired workers.
- (2) To provide technical assistance to increase training opportunities available to employees.

14.06: Application Procedure for Training Grants

- (1) All applications for a training grant as provided by M.G.L. c. 29, § 2RR, subsection (b), paragraph (1) shall be made in accordance with the procedures as prescribed by the commissioner.
- (2) In making such application, the applicant shall comply with the instructions printed on the forms issued by the commissioner.
- (3) The commissioner shall ensure that the procedures prescribed are easily understandable by non-technical personnel and that any forms which need to be submitted can be completed with readily available information.

14.07: Approval of Training Grant Applications

- (1) In determining whether to approve a training grant application, the commissioner will consider the following:
  - (a) whether the project will increase the skills of low-wage, low-skilled workers;
  - (b) whether the project will create or preserve jobs at wages sufficient to support a family;
  - (c) whether the project will have a positive economic impact on a region with high levels of unemployment or a high concentration of low-skilled workers;
  - (d) whether the employer has made a commitment to provide significant private investment in training during the duration of the grant and after the grant has expired;
  - (e) whether the project will supplement, rather than replace, private investments in training;
  - (f) whether the employer is a small business that lacks the capacity to provide adequate training without such assistance;
  - (g) whether the project will provide residents of the commonwealth with training for jobs that could otherwise be filled only by residents of other nations;
  - (h) whether the project is consistent with the workforce development blueprint prepared by the regional employment board;
  - (i) whether the application was developed with employee participation; and
  - (j) any other factors as deemed relevant by the commissioner.
- (2) In making the determination, the commissioner shall seek the advice and recommendations of the Workforce Training Fund Advisory Panel and the applicable Regional Employment Board.
- (3) To satisfy the requirements of 430 CMR 14.07(1)(d), an applicant must show to the satisfaction of the commissioner that it has made a commitment to provide an investment in training of its employees in an amount at least equal to the amount of the sought grant. Such investment may be either cash or in-kind; and includes those costs newly incurred by applicants as a direct consequence of undertaking the training for which a grant is being sought, but does not include any of an applicant's on-going costs of doing business if such costs are not directly related to this training. The commissioner may waive this investment requirement, in whole or in part, upon a showing of good cause. In determining whether to grant a waiver, the commissioner shall consider how the grant application otherwise satisfies the factors listed in 430 CMR 14.07(1).
- (4) The commissioner shall not approve any grant application which exceeds \$250,000 or which is for a period that exceeds two years.

14.08: Technical Assistance

- (1) The commissioner may provide technical assistance to increase training opportunities available to employees either directly or by using the entities listed in M.G.L. c. 29, § 2RR, subsection (b), paragraph (2) or by contracting with a private organization with expertise in training of employees.
- (2) Expenditures from the Fund for technical assistance shall not exceed \$3,000,000 annually and the commissioner shall demonstrate that each dollar expended for technical assistance generates not less than \$5.00 in private investment in job training.

14.08: continued

- (3) Any entity or organization seeking technical assistance funding must:
  - (a) agree to provide a match (cash or in-kind) at least equal to the funding sought;
  - (b) demonstrate that the type of technical assistance to be offered will be a worthwhile expenditure of public dollars that will provide a meaningful economic benefit to Massachusetts companies and their employees; and
  - (c) demonstrate that the proposed technical assistance effort will not incur excessive administrative costs and will devote the maximum feasible share of the funds received for such assistance for the direct benefit of Massachusetts business enterprises and their employees.

14.09: Appeal and Reconsideration

- (1) The determination to approve or not approve an application for a training grant or a request for technical assistance funds is not subject to appeal under any provision of M.G.L. c. 151A.
- (2) The commissioner may reconsider a determination made under 430 CMR 14.00 based on newly discovered information or any other reasonable cause.

14.10: Miscellaneous

The commissioner shall not approve any training grant application or application for technical assistance unless the applicant has paid all contributions, payments in lieu of contributions, interest or penalty charges due under M.G.L. c. 151A.

REGULATORY AUTHORITY

430 CMR 14.00: M.G.L. c. 30A, § 2; St. 1998 c. 175, §§ 3 and 20.