

MASSACHUSETTS WORKFORCE DEVELOPMENT SYSTEM

# Mass Workforce Issuance

100 DCS No. 07.100

☒ Policy ☐ Information

**To:** Chief Elected Officials  
Workforce Development Board Chairs  
Workforce Development Board Directors  
Title I Administrators  
Career Center Directors  
Title I Fiscal Officers  
DCS Operations Managers

**cc:** WIOA State Partners

**From:** Nancy Snyder, President  
Commonwealth Corporation

Alice Sweeney, Director  
Department of Career Services

**Date:** September 20, 2016

**Subject:** **On-The-Job Training (OJT) through the Workforce Training Fund Program**

**Purpose:** To provide policy guidance to Local Workforce Boards, One-Stop Career Center Operators and workforce investment partners with respect to Workforce Training Fund Program (WTFP) On-the-Job Training (OJT) eligibility and enrollment requirements.

**Background.** The Workforce Training Fund Program helps address business productivity and competitiveness by providing resources to Massachusetts businesses to fund training for current and newly hired employees. Employers must contribute into the Workforce Training Fund in order to participate in the program. The Commonwealth has added a new component to the use of WTFP funds – reimbursement to employers for the extraordinary cost of training new hires through On-the-Job training contracts. This resource has been designed to align with **Mass Talent Connect**.

Role of Regional Employment Board of Hampden County

The role of the Regional Employment Board of Hampden County (REBHC) as the primary operator will be to train and support career center Business Service

Representatives (BSRs) and other relevant career center staff in the implementation and administration of the WTFP OJT. Specifically how to administer funding, verify businesses' eligibility, issue the OJT contracts, pay businesses and career centers, collect participant level data on OJT status and report on any expenditures, career center usage, employment outcomes and participant demographics.

#### Role of One-Stop Career Center

The role of the One-Stop Career Center will be to build relationships with local businesses, verify employer eligibility, assist employers with development of position requirements, develop the OJT plan and contract, refer and place eligible OJT candidates, enroll participants into MOSES, review monthly reports and invoices from employers before submitting to the REBHC for payment, coordinate contracting and invoicing with the REBHC as the primary operator, conduct ongoing monitoring visits including at least one on-site visit during the course of the OJT, provide retention services/follow-up, verify placement and wages at end of the OJT as well as retention at 90 days and update participants' employment status data into MOSES.

**Policy:** Any Massachusetts business that pays into the Workforce Training Fund and is in good standing with the state will be eligible. Businesses must not have a pattern of failing to retain OJT participants.

#### **Participant Eligibility and Enrollment**

Participant eligibility will require that the participant be long term unemployed. Individuals must have been unemployed 30 weeks or longer and demonstrate that they are capable of, available, and actively seeking work (priority given to those unemployed one year or longer\*).

\*In the event that WTFP OJT funding becomes limited, Mass Talent Connect participants will be given priority. Career Centers will be notified if this should occur.

#### **Training**

OJT training undertaken on behalf of an eligible worker must also comply with the requirements set forth below:

1. The OJT can reasonably be expected to result in suitable employment with the hiring employer. One-Stop Career center staff should ensure that the employer is hiring the participant and engaging in the OJT with the objective of retaining the individual post-OJT completion.
2. The OJT is compatible with the skills of the worker. The use of TORQ or other assessment mechanisms is suggested to analyze skills and capabilities.

3. The OJT includes a training plan through which the worker will gain the specific knowledge or skills to become proficient in the job for which the worker is being trained.
4. The participant's knowledge/skill gain through OJT must be measurable and demonstrated through submission by the employer of monthly progress reports.
5. The prospective OJT employer has not exhibited a pattern of failing to provide prior OJT trainees (supported through WIA/WIOA, NEG or other funding sources managed by DCS and One-Stop Career Centers) with continued, long-term employment as regular employees.
6. The prospective OJT employer has not exhibited a pattern of providing wages, benefits and working conditions to prior OJT trainees (supported through WIA/WIOA, NEG or other funding sources managed by DCS and One-Stop Career Centers) that are not equivalent to the wages, benefits and working conditions provided to regular employees who have worked a similar period of time and are doing the same type of work.
7. The employer must be compliant with all tax requirements and must provide a Certificate of Good Standing and Tax Compliance from the MA Department of Revenue that has been issued within 6 months prior to the start date of training. A current certificate must be attached to the WTFP OJT Contract Request package.
8. A proposed OJT employer must be in good standing with regard to Department of Unemployment Assistance (DUA) requirements. A current certificate must be attached to the WTFP OJT Contract Request package.
9. A proposed OJT employer must contribute to the Workforce Training Fund. The OSCC can email [Jason.albert@massmail.state.ma.us](mailto:Jason.albert@massmail.state.ma.us) to request verification of contribution to the Workforce Training Fund. A copy of the email verifying eligibility must be attached to the WTFP OJT Contract Request package.
10. The employer must not be debarred/suspended from doing business with either the Federal Government or the Commonwealth of Massachusetts.

The wage subsidy will be payable up to 26 weeks. However, the length of training must be calibrated to the training plan.

The wage subsidy amounts are:

- Maximum of up to \$7,500.00 per participant contract
- Maximum % of employer subsidy:
  - up to 75% of wages for employers with 250 or fewer employees(*authorized within this policy only, attributable to non-WIOA funds*)
  - up to 50% for employers with 251 or more employees

Note: There is no maximum number of contracts or total payment per company per year.

### **Vouchering:**

The Operator designated to implement the project is the REBHC. REBHC will follow a common contract/vouchering process utilizing standard forms 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 enrollees on a statewide basis.

All workforce areas are eligible to receive voucher payments for training-related individualized career services provided by the local One-Stop Career Center system in relation to preparing, monitoring and following up on services under the OJT contract. The REBHC will submit the payment to the Career Center's fiscal agent upon receipt of the first Employer Invoice, the Local Area Voucher Invoice and a copy of the first monthly progress report. After a participant has completed the first month of training outlined in the OJT contract, \$945.00 will be paid to the career center, and \$405.00 will be paid to the REBHC.

Each local area fiscal agent will enter into a Master Agreement (based on the Commonwealth's OJT vouchering model) with the REBHC related to individualized employment services.

Any local area that has not executed a Master Agreement with the REBHC by October 31, 2016 will forfeit access to voucher payments described above. No voucher payments will be issued prior to execution of a Master Agreement.

Voucher payments are made to the local area for assessment, enrollment, training plan development, career planning and follow-up in relation to the OJT contract.

- An invoice for a voucher payment may be submitted only upon confirmation by the REBHC that a contract has been executed
- Eligibility requirements as described above have been met
- Assessment requirements as described above have been met
- Enrollment has been completed in WTFP OJT training

Incomplete or inaccurate invoices may be returned to the local area for correction.

### **Success Measures**

The following progress and success measures will be used to determine whether additional funding should be added to the WTFP OJT program.

- Progress will be measured by the number of enrollments and whether 85% of WTFP OJT enrollees complete their OJT.
- Success will be measured by whether WTFP OJTs are resulting in an 85% unsubsidized employment retention rate immediately after OJT

completion. This will be calculated by dividing the number of WTFP OJT retentions in unsubsidized employment by the total number of individuals enrolled in WTFP OJTs.

- Success will be measured by whether WTFP OJTs are resulting in a 90% unsubsidized employment retention rate 90 days after OJT completion. This will be calculated by dividing the number of WTFP OJT 90 day retentions by the number of individuals retained immediately after WTFP OJT completion.

**Action**

**Required:** Please ensure that all appropriate staff persons are knowledgeable of the content of this Policy Issuance and that related activities are carried out in a compliant manner with particular attention to the requirement for local areas to execute a Master Agreement with REBHC no later than October 31, 2016.

**Effective:** Immediately

**Inquiries:** Please email all questions to [PolicyCore@detma.org](mailto:PolicyCore@detma.org). Also, indicate Issuance number and description.

**Attachments:** A: Monthly Progress Report  
B: Questions & Answers