

MassWorkforce Issuance

Workforce Issuance No. 10-92

☒ **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: November 23, 2010

Subject: **On-the-Job Training/National Emergency Grant Project (OJT/NEG Project)**

Purpose: To iterate the Commonwealth's policy with respect to administering the On-the-Job Training National Emergency Grant (OJT/NEG) recently awarded to Massachusetts by the U.S. Department of Labor Employment and Training Administration.

Background: The U.S. Department of Labor Employment and Training Administration (ETA) has awarded \$1,065,670 in American Recovery and Reinvestment Act (ARRA) funds to Massachusetts for an OJT/NEG Project to broaden customer choice with respect to training services and to spur economic recovery. The award will enable the Commonwealth to expand the utilization of OJT to assist dislocated workers to acquire the needed occupational skills to expedite re-entry into the workforce. The grant will provide local areas with added flexibility to respond to labor market demand and allow a more timely response to immediate employer hiring needs.

The OJT/NEG Project will encourage local business involvement with the Commonwealth's workforce development system, stimulate the economy and develop skilled workers for employers. OJT provides employers the opportunity to hire employees and provide them with the new skills needed to successfully perform on the job. OJT provides dislocated workers the opportunity to receive training while employed and to be paid wages comparable to other employees in the same or similar positions.

Two regional operators have been designated for this effort: the Regional Employment Board of Hampden County and the Greater New Bedford Workforce Investment Board. Each of the remaining Massachusetts Workforce Investment Areas may participate in the OJT/NEG Project through a statewide voucher process administered by the two designated project operators.

Policy: The Commonwealth's OJT/NEG Project will be implemented for the period from June 30, 2010 through March 31, 2012. While all OJT/NEG funds awarded in accordance with this grant must be expended no later than 3/31/2012 it is the expressed intent of the Commonwealth that grant funds be expended as quickly as possible to assure maximum economic impact. Grant funds will be accessible to all sixteen Massachusetts Workforce Investment Areas. Under the OJT/NEG Project, eligible dislocated workers may receive needed occupational skill training through a formal on-the-job training methodology for a period consistent with normal training requirements for the specified occupational skill set as determined through O*Net by visiting the following link:

<http://online.onetcenter.org>

Actual training under the OJT contract must be at least four weeks in duration but under no circumstance may exceed a maximum of twenty-six (26) weeks.

To be eligible to participate in the OJT/NEG Project, dislocated workers and employers must meet the relevant requirements specified in Attachment A. For purposes of receiving on-the-job-training with grant (NEG) funds, the training participants must:

- meet the WIA eligibility requirements as a dislocated worker;
- have been unemployed 22 weeks or longer; and
- have been laid off on or after January 1, 2008 (the date officially designated by the U.S. Department of Labor as marking the onset of the economic recession, thus the event triggering the use of ARRA NEG funding).

Under this project, OJT positions must be "full time" in accordance with the employer and local industry standards.

OJT positions may not be created with public employers, gambling establishments, swimming pools, aquariums, zoos or golf courses.

For added flexibility, the Commonwealth is also making a maximum of \$518,000 of State-held Rapid Response funds available for OJT positions in accordance with the terms and procedures of the OJT/NEG Project described in this policy. The only exception regards the participation requirements for trainees.

Additionally, all training conducted in conjunction with the OJT/NEG Project described in this issuance must be consistent with the requirements for On-the-Job (OJT) training as described in the current MassWorkforce Issuance 11-28, On-the-Job Training Policy, Revised.

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

- Master Agreement between Primary Operators and Local One-Stop Career Center Fiscal Agents (for vouchering purposes)
- Employer Outreach
- Designation of a Local Single Point of Contact (SPoC)
- Employer OJT Eligibility Assessment
- Training Participant Recruitment/Assessment/Orientation
- Training Plan Development with Employer
- Support Services
- Employer OJT Contract and Monitoring
- Employer OJT Reimbursement
- Local Area Voucher Payments for those OJT positions developed for individuals unemployed 22 weeks or longer (prolonged unemployed) and laid off on or after 1/01/08
- Training Participant Case Management
- Employer OJT Progress Review
- Follow-Up Services
- Primary Operator Review
- Record Keeping/Reporting

In accordance with the grant award, based on its size, and as pertains only to the specific location where the individual will be trained, a participating employer will be reimbursed in accordance with the following sliding scale:

- ✓ A company of 50 or fewer employees will be reimbursed at a rate of 90% up to a maximum level 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 based on the Commonwealth's average wage rate*.
- ✓ Companies with 251 or more employees will be reimbursed at a rate of 50% up to a maximum level based on the Commonwealth's average wage rate*.

*For purposes of this project, ETA has established a wage cap requirement that the training reimbursement level is not to exceed a percentage (based on the sliding scale above) of the state's average wage rate. The current Massachusetts average wage level as determined by the Bureau of Labor Statistics is \$25.34. Each state's average wage rate is determined on an annual basis; DCS will notify local areas of any new determination of the State's average wage rate.

Therefore, while OJT/NEG Project 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.

Under the OJT/NEG Project each of the State's fourteen local workforce areas not designated as one of the two primary operators will initially be guaranteed a voucher reimbursement in the amount of \$3,300 for each of the first two OJT positions funded through this OJT/NEG grant award. The guarantee will be in effect for the three month period (90 calendar days) following the execution of the

local area's Master Agreement (Attachments B1, B2) with the Primary Operator as long as the Master Agreement is executed no later than December 1, 2010.

At the close of the 90-day period, those areas that have not executed OJT contracts with grant funds will be reviewed for progress in identifying participating employers as documented by a complete and signed OJT Employer Eligibility Checklist (Attachment D). If at the 90-day point, progress is insufficient (Employer Eligibility Checklist not completed and signed) the funds held in reserve for voucher payments to the local area will revert to use by the Primary Operator as part of the direct wage reimbursement pool for OJT contracts. If it is determined that progress is being made in engaging participating employers and identifying trainees the guarantee period will be extended an additional one month (30 calendar days). If after the additional 30 days an OJT contract (Attachment F) has not been executed with an employer, funds held in reserve for voucher payments to the local area will revert to use by the Primary Operator as part of the direct wage reimbursement pool for OJT contracts.

For each OJT/NEG Project position funded with the available Rapid Response funds for an individual who meets the prolonged unemployed standard (22 or more weeks) and was laid off on or after January 1, 2008, local areas may submit an invoice for voucher reimbursement (Attachment M) in the amount of \$1,500. While a local area is not limited with respect to the number of Rapid Response voucher payment invoices it may submit; reimbursements will be made on a first-come, first-served basis. To reiterate, Rapid Response voucher reimbursement *will only be made* for OJT/NEG Project participants who meet both the 22-week "prolonged unemployed" and the 1/01/2008 layoff date standards. Rapid Response funds may be used to provide on-the-job training to participants who do not meet the 22-week "prolonged unemployed" and/or the 1/01/2008 layoff date standard; however, no voucher reimbursement is attached to the OJT for such individuals.

To submit an invoice for a Rapid Response voucher payment:

- the local area must have executed a Master Agreement with its Primary Operator no later than December 1, 2010;
- the local area must submit a completed and signed Employer Eligibility Checklist within 180 days executing the Master Agreement; and
- within 30 days of submitting the Employer Eligibility Checklist, the Primary Operator must have executed an OJT contract with the employer.

After June 30, 2010 [generally, the 210-day period following the required December 1, 2010 date for executing all Master Agreements (this includes the 180-day period to submit the Employer Eligibility Checklist and the 30-day period to execute the OJT contract)], DCS will assess the overall pool of any remaining Rapid Response funds and communicate their continued availability to the Primary Operators and local areas.

Note: Unlike OJT/NEG funds, the Rapid Response funds made available for the \$1,500 voucher reimbursement are applicable to OJT contracts funded with *either* Rapid Response funds *or* NEG funds.

As with all U.S. Department of Labor-funded employment and training programs, Veterans' Priority of Service applies to this OJT/NEG Project. For specific detail regarding the application of the veterans' priority, please refer to MassWorkforce Issuance No. 09-02, Implementing Veterans' Priority of Service (1/13/09) by clicking on the following link:

<http://www.massworkforce.org/Issuances/PolicyIssuance2009.htm>

For specific administrative and operational guidance, please refer to Attachment A, "OJT/NEG Project Administrative and Operational Guidance."

Success of the OJT/NEG project will be measured by the percentage of training participants who have either been retained in the same position or are employed in a position of higher pay six months following the completion of the OJT.

Action

Required: Please assure that all appropriate local staff are informed of the contents of this issuance.

Effective: Immediately

References: Workforce Investment Act (WIA) §101(31)(A)(B)(C) and §181(d)(2)

USDOL Training and Employment Guidance Letter (TEGL) 4-10 "On the Job Training National Emergency Grants Funded with American Recovery and Reinvestment Act of 2009 Resources"

Attachments: Attachment A: Administrative and Operational Guidance
Attachment B1: Hampden County Master Agreement Form
Attachment B2: Greater New Bedford WIB Master Agreement Form
Attachment C: OJT Forms Glossary
Attachment D: Employer Eligibility Checklist
Attachment E: OJT Pre-Contract Form
Attachment F: OJT Contract
Attachment G: OJT Justification Form
Attachment H: Signatory Authorization
Attachment I: Monthly Employer Progress Report
Attachment J: Local Area Monitoring Report
Attachment K: OJT Contract Modification
Attachment L: Employer Invoice
Attachment M: Local Area Voucher Invoice
Attachment N: MA Certificate of Good Standing and/or Tax Compliance