DEPARTMENT OF WORKFORCE DEVELOPMENT
DIVISION OF EMPLOYMENT AND TRAINING
ADMINISTRATOR'S MEMO SERIES

X ACTION 10-11
___ NOTICE

ISSUE DATE: 09/20/10
DISPOSAL DATE: Until Rescinded
*PROGRAM CATEGORIES:

___ AS	___ FL	___ ML	___ TR
___ CR	___ IT	___ RA	X WIA
___ FM	___ JC	___ TC	___ YA
	___ LM	___ TA	

To: Workforce Development Board Directors

From: Ron Danowski, Division Administrator
Division of Employment and Training

RE: On-the-Job Training National Emergency Grant Supplement State Policy to the Workforce Investment Act (WIA) On-the-Job Training Policies and Procedures Administrator's Memo 10-07

Purpose

This supplement to the State's Policy for On-the-Job Training is to provide specific guidance on the National Emergency On-the-Job Training Grant (NEG-OJT).

Legislative/Regulatory References

Training and Employment Guidance Letter 4-10, August 6, 2010
National Emergency Grants, Federal Register April 27, 2004
Veteran's Program Letter 07-08, November 10, 2009
U.S. Department of Labor OJT NEG website http://www.doleta.gov/layoff/Job_Training.cfm
U.S. Department of Labor booklet http://www.doleta.gov/layoff/pdf/ojt_neg_booklet.pdf

Background

The U.S. Department of Labor-Employment and Training Administration (DOL) has issued American Recovery and Reinvestment Act funds based on a competitive grant process to address the recession-generated economic conditions that have contributed to significant worker layoffs. The intention is to provide employer support as a partner to assist long-term unemployed individuals with appropriate training and employment placement.

Program Design and Eligibility

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*PROGRAM CATEGORIES:

AS—Apprenticeship Standards	FM--Financial Management Requirements	LM--Labor Market Information	TR--Transportation
CR--Civil Rights	FL--Foreign Labor Certification	ML--Migrant Labor	WIA--Workforce Investment Act
	IT--IT Systems	RA--Refugee Assistance	YA--Youth Apprenticeship
	JC--Job Center	TC--Tax Credit Programs	
		TA--Trade Assistance	

The service delivery for the NEG-OJT activities will overlay the existing Job Center processes and procedures following the Workforce Investment Act (WIA) parameters along with State and local policies. The OJT Administrator's Memo 10-07 is the basis for OJT activities. This supplement clarifies the exceptions as well as the additional guidelines specific to the NEG-OJT grant.

It is anticipated that participants for the NEG-OJT grant will primarily be individuals who are eligible for, or are already receiving services through, the WIA Dislocated Worker Program. They will be identified by the service providers' program case managers, other local staff, Local Veteran's Employer Representatives and the Disabled Veteran's Outreach Program staff. Dislocated worker program orientation sessions and informational materials available in the Job Centers must include information on the NEG-OJT as a program option. Individuals may self-refer or may be referred by Job Center partner programs including Reemployment Services.

Participant eligibility is focused on "the prolonged unemployed." DOL has provided the following guidance:

Prolonged unemployment is defined as unemployed beyond the State's average duration of regular Unemployment Insurance (UI). In Wisconsin it is 18.2 weeks. The number of weeks an individual has been unemployed is the indicator, not their UI status. That is, an individual not covered by UI (an exhaustee, for example) may still be eligible if they have been unemployed longer than 18.2 weeks. The number of weeks the individual has been unemployed is determined at the time of their eligibility determination for the program.

Therefore, in order to be eligible to be served under this grant, individuals must meet these three requirements:

1. Be a dislocated worker as defined in WIA Section 101(9); and
2. Have been laid off on or after January 1, 2008, (the date DOL is using as the onset of the recession); and
3. Have experienced prolonged unemployment of 18.2 weeks or more.

Veterans

Priority of service for qualified veterans and spouses is applied after these three eligibility requirements have been met. Additionally, individuals must be determined appropriate for OJT based on assessment and their individual re-employment plan. The Q & A in Veterans' Program Letter 07-09 states: "A veteran or eligible spouse must meet the statutory eligibility requirements(s) applicable to the specific program from which services are sought. So, for those programs that also have statutory priorities or preferences pursuant to a Federal statute or regulation, the program service providers must coordinate providing priority of service to veterans and other eligible persons with the application of those other priorities."

WIA Dislocated Worker program staff and the Veteran's Employment program staff will coordinate cross referrals of eligible veterans.

Employer Reimbursement

As is currently the practice, the Workforce Development Boards (WDB), may utilize either the

(a) WIA provision that allows reimbursement to employers of up to 50 percent of the wage rate of an OJT participant for the extraordinary costs of providing the training and additional supervision related to the OJT;

or

(b) DOL State waiver that allows the following reimbursement rate to employers through a sliding scale based on the size of the business:
   1. Up to 90% for employers with 50 or fewer employees
   2. Up to 75% for employers with 51-250 employees
   3. The current statutory requirement of up to 50% for employers with over 250 employees.

Wage Cap

DOL has established a wage cap policy that the training reimbursement level is *not to exceed a percentage (typically 50% up to 90%) of the state's average wage rate.* This limitation on the training reimbursement provides grantees with latitude in the type of occupations that can be targeted while maximizing the number of OJT opportunities. *Grantees may enter into contracts with employers who elect to pay participants more than the state average wage; however, the employer cannot receive a training reimbursement beyond a percentage of the capped level.*

The States' average salary is provided by the Bureau of Labor Statistics in the Quarterly Census of Employment and Wages. The most up-to-date annual data are for 2009. The hourly wage cap for Wisconsin is $19.32.

Prohibitions and Limitations

Needs Related Payments

The WIA Needs Related Payment provision is not an allowable service for the NEG-OJT grant.

Duration Limitation

The period of reimbursement for an NEG-OJT participant is a maximum of six months. Individuals may not be co-enrolled in other Employment and Training Administration programs for the purpose of extending the OJT beyond six months.

OJT Contract Prohibitions

OJT positions cannot be developed:

(a) with public sector employers; or
(b) with employers which are casinos or other gambling establishments, swimming pools, aquariums, zoos, and golf courses; or
(c) that will or may displace workers (WIA 20 CFR Sec. 667.270); or

(d) have relocated all or part of their business within the previous 120 days where the relocation action has resulted in the loss of employment of any employee at the original site.

Reporting and Monitoring

All participants in the NEG-OJT grant project must be recorded in the Automated System Support for Employment and Training in the Manage Services Menu as an OJT service using the assigned NEG-OJT grant identification number for each WDB. In addition, monthly reports will be required that details all OJT placements. A reporting form will be provided.

On-site monitoring, and periodic sampling of contracts and training plans will be conducted.

Action Required

WDBs must:

(a) Ensure that local policies are consistent with this NEG-OJT Supplement; and
(b) Inform staff and contractors providing the NEG-OJT service of this Supplement.

Questions and/or Technical Assistance and Training

If you need additional information regarding this policy, please contact Annette Nekola, Dislocated Worker Program Coordinator, Wisconsin Department of Workforce Development, Phone (608) 267-7145, Fax (608) 267-2392, Email annette.nekola@dwd.wisconsin.gov.