



LOS ANGELES COUNTY

WIA Adult, Dislocated Worker, Youth, Rapid Response
and NEG Programs

DIRECTIVE

Number: WIA ADY D-10-06

Subject: On-the-Job Training National Emergency Grant
FINAL

Date: 11/02/10

Effective Date: Immediately

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TO: ALL COUNTY OF LOS ANGELES WORKSOURCE CENTER CONTRACTORS

Purpose

The purpose of this Directive is to announce the On-the-Job (OJT) National Emergency Grant (NEG) Program which Secretary of Labor Hilda Solis announced on June 25, 2010 and is effective through June 30, 2012. As a result of the recession, many workers have been laid off and have not found employment due to elimination of many jobs in fields for which there is no longer a demand. Therefore, these workers need to obtain new job skills in order to find employment in different areas.

The OJT NEG Program is to provide on-the-job training to long-term unemployed participants who have been laid off since January 1, 2008 (unemployed for 99 weeks or longer) and not covered by UI. The Employment Development Department (EDD) has given this group of workers the first priority in receiving the benefits of the OJT NEG Program. A second targeted-group is those who have been unemployed and/or receiving UI benefits that meet the definition of prolonged unemployment. In California, this is defined as dislocated workers who have been unemployed longer than the State's average UI duration of 21.5 weeks. The number of weeks unemployed is the indicator, and not the UI status.

Background

The Department of Labor (DOL) through the Training and Employment Guidance Letter (TEGL) dated August 6, 2010, provides information on this one-time availability of an OJT NEG which is available to applicants who can demonstrate a significant dislocation event. California applied for funds outlining several areas in the State which had extreme unemployment factors which could be considered as an emergent need. Los Angeles County applied to the State under the grant and upon approval by DOL, the State granted the County the sum of \$725,462.

In Los Angeles County, the Program is effective October 5, 2008 and the County is contracting with LA WORKs to administer the Program throughout the County. LA WORKs will be working with other WorkSource Centers in the County in order to ensure that the Program is available to a wide range of workers and employers throughout the County. LA WORKs is responsible for a participant once the other Center has made a referral to LA WORKs for OJT and LA WORKs accepts the participant into the Program.

OJT NEG Eligibility Determination

The criteria addressed in this Directive are to provide exceptions to the requirements for Dislocated Workers which can be found in the Los Angeles County WIA Adult, Dislocated Worker, and Youth Programs Directive dated July 1, 2010. That Directive is to be followed after allowing for the exceptions found herein.

Exceptions

As noted above under Purpose, the State has designated two groups that are to be targeted for this program. The participants identified under these two groups are eligible to receive the services provided for Dislocated Workers as well as those under OJT NEG. In addition, Veterans are to be given priority services before the two groups above.

However, the major exception to the regular WIA OJT program is that employers can be reimbursed on a sliding scale up to **90%**. Reimbursement is determined by the size of the employer as follows:

- (1) Up to **90%** for employers with 50 or fewer employees;
- (2) Up to **75%** for employers with 51-250 employees; and
- (3) Up to **50%** for employers with more than 250 employees which is the usual reimbursement under WIA requirements.

The size of the employer is based on the number of employees where the OJT will occur and is not based on a national number of employees. The reimbursement cannot be used for employees who have been laid off from the same or any substantially equivalent job, the employer has terminated the employment of any regular employees with the intention of filling the vacancy with an OJT participant, or if the OJT position infringes on the promotional opportunities of currently employed workers (20 CFR Sec. 667.270 of the WIA regulations).

DOL has assigned each state an hourly wage cap which in California is \$23.82. While an employer may choose to pay the employee more than this hourly rate, the employer is liable for any amount which is in excess of the percentage rate of the capped level. The reimbursement amount will be a negotiated percentage of the wage being paid to the participant and may include the extraordinary costs the employer may have in order to provide the OJT, e.g. overhead associated with providing the training, shadowing, mentoring and additional supervision.

OJT NEG is limited to six months for a participant. This is an exception to the usual WIA regulations as this is a special program with limited resources. Co-enrollment with WIA is not permitted in order to expand the training experience beyond the six months. As is any OJT experience, the goal is to ensure employment for the participant with the employer who is providing the training.

Co-Enrollment

The OJT NEG Program follows the usual criteria for dual enrollments. The Program is designed so that more than one WorkSource Center can take advantage of an enrollment in the JTA system.

Because of the need to provide the Program throughout the County, other WorkSource Centers will benefit from the enrollment as well as a placement when the participant is hired by an employer.

WorkSource Centers are to make referrals to LA WORKs to determine eligibility to the Program. LA WORKs will be responsible for the inter-communication between the two Centers once the other Center has identified a potential worker. LA WORKs will also evaluate an employer's fit with the program.

Targeted Employment Areas

The State has identified certain employment areas which have had the greatest job losses during the recession. To the extent possible, the following areas have been identified by EDD where job loss has been the greatest: construction, manufacturing, trade, transportation, and utilities industries. Workers in these areas have specific skills from jobs in those areas and need re-training in totally new areas in order to find new employment such as in the areas of the Healthcare industry, Tourism/Hospitality, Professional and Business Services, Transportation and Distribution and Information Technology where there has been significant job increases.

An emerging area not yet captured in data is the impact the green industry will have on OJT. A recent survey conducted by EDD determined that 80 percent of the current green workers were trained on the job. It is anticipated that many of the OJTs will be in this emerging industry.

Participant Identification and Selection Criteria

As noted above in the Purpose section, there are two groups targeted for priority of service with priority given to those with the greatest barriers to employment. The first group of workers is to be identified through WorkSource Centers reviewing customer files to identify individuals not covered or no longer covered by UI and unemployed 99 weeks or longer. In addition, Centers are to work with EDD staff which has knowledge of the UI claimant pool as well as using a dedicated media outreach in an effort to recruit these individuals.

NOTE: Veterans are to be given priority of service before the two groups targeted above.

These methods may also be utilized in identifying individuals for the second targeted group (unemployed longer than the State's average UI duration of 21.5 weeks) which is estimated to be about 78 percent of the total number of individuals receiving unemployment insurance benefits. By

identifying these groups and looking at individual work histories, Centers will be able to assist workers in finding an OJT which meets the interests and past experience of the worker in order to focus on the targeted employment areas.

In evaluating a worker for OJT NEG, the individual's skill levels are to be assessed in determining appropriate eligibility to a particular employer's needs

Employer Recruitment

Employers are to be solicited in a variety of ways. To the extent possible, use of currently developed avenues to participation should be utilized. This includes existing partnerships through Chambers of Commerce, Small Business Development Centers, Job Fairs, community events, etc. as well as making use of media resources such as websites, direct mailing, and distribution of flyers and brochures. Any other County partner agencies, including other WorkSource Centers and its contacts, are another resource. All WorkSource Centers are encouraged to refer potential employers to LA WORKs in order to expand the geographical area of employment. To the extent possible, when evaluating an employer for referral, the WorkSource Center is to consider the requirements found in the OJT Contract Requirements section in the Directive.

Any potential employers are to be referred to LA WORKs which will be responsible for contacting the employer in order to present the OJT NEG Program and determine the acceptance of the employer into the Program. The WIA requirements for OJT employer selection are to be adhered to except for the exceptions noted above.

LA WORKs will interview the prospective employer to determine employer requirements, numbers and titles of jobs available, and skill levels needed for competency in the job. LA WORKs will provide orientations, complete the OJT contract signed by the employer, the worker and LA WORKs, review training plans, time sheets, invoicing processes, and the importance of monitoring and site visits. LA WORKs will also be responsible for providing technical assistance when needed and ensure that the employer understands the Program and, particularly, that the Program is a reimbursement of training costs and not a wage subsidy.

Reverse referrals (when an employer with a hiring need sends an individual to the WorkSource Center for an eligibility determination and then hires the individual on an OJT NEG contract) are allowable as long as all other conditions found in this Directive are met.

JTA Data Entry Requirements

The grant code to be used for data entry requirements is 775. It is to be noted that data needs to be entered by the third working day of the month for the prior month and all MIS correction requests must be addressed with 24 hours. Any MIS questions and correction requests are to be directed to wiajatechsupport@css.lacounty.gov.

Additional Program Requirements for LA WORKs

Below are procedures to be adhered to by LA WORKs as the contractor for the Program.

County-wide Program

The County's OJT NEG program must be provided throughout the County. It is the responsibility of LA WORKs to ensure that participants are identified throughout the County through outreach to the other Centers in the County as well as resources such as Chambers of Commerce, etc. The selection of participants is to be driven by the needs of the participant and is not to be driven by the needs of

any one employer unless the employer has sites which are spread throughout the County. For the purposes of monitoring, it will be necessary for LA WORKs to retain records which ascertain that efforts were made to provide a County-wide Program through outreach to other Centers and other resources as well as efforts made to obtain employers which are located throughout the County.

Case Files

LA WORKs will need to ensure documentation is provided in the participant's case file which indicates the reasoning for the selection of the participant for the Program. Any communications with other WorkSource Centers which led to the selection are also to be documented.

OJT NEG Contract Requirements

In developing an OJT NEG contract with an employer, LA WORKs is to ensure that the information below is a part of the contract:

- A description of the occupations for which training is to be provided
- The length of time the training will be provided (limited to six months)
- The wage rate to be paid to the participant
- The rate of reimbursement to the employer and the maximum amount of reimbursement to be paid
- A training outline that includes the work skills and competencies to be learned and describes any separate classroom training that may be provided
- The employer's agreement to maintain and make available accurate and complete time and attendance, payroll and other records to support amounts claimed by the employer for reimbursement under the contract
- The employer's agreement to document skills gained during the training period
- The employer's agreement to provide the participant and LA WORKs with an evaluation of the participant's progress in the Program at no less than four week intervals beginning with the participant's start with the employer in the training program
- Written assurances such as, but not limited to:
 - o Individuals in OJT NEG must be provided benefits and working conditions to the same extent as other participants or employees working a similar length of time and doing the same type of work
 - o The employer will provide worker's compensation coverage for the participant and abide by health and safety standards established under State and federal law

- The employer will not discriminate against any participant on the basis of race, color, religion, sex, national origin, age, disability, political affiliation or belief, and against beneficiaries on the basis of either citizenship/status as a lawfully admitted immigrant authorized to work in the United States or participation in any WIA Title I financially assisted program or activity
 - The employer certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this contract by any Federal department or agency
 - The employer certifies that it will provide a drug-free workplace as defined by the Drug-Free Workplace Act of 1988.
- The OJT contract with the employer is to be developed with a goal to maximize the potential of participants to be permanently hired by the employer once the training period has ended.

Reimbursement

In developing the amount of reimbursement for an employer, LA WORKs is to ensure that while the maximum reimbursement for an employer is 90%, it is based on a sliding scale which takes into account not only the size of the employer but also the participant's skills gap. Documentation is required to show the exceptional need for a higher reimbursement rate based on the skills gap of the participant rather than just the employer's size.

Skills Attainment

LA WORKs is to ensure that monthly reviews are conducted to ensure the participant is making progress in the Program. Tools such as onsite visits, employer evaluations, and employee self-evaluation as well as any other tools determined by LA WORKs to be useful are to be utilized.

Employers are to complete a survey at the completion of the training process which includes a final evaluation of the participant as a trainee, whether the necessary skills were attained, and if the participant is being hired as a permanent employee.

Performance Goals

LA WORKs is to meet the Performance Goals as specified in the chart below. It includes the 2009 target performance goals for the dislocated worker program and for this OJT NEG program. In addition, as part of the follow-up process, LA WORKs is to continue monitoring the participant for twelve months following the participant's completion of the training process to determine the participant's job retention with the employer.

<u>Performance Goal</u>	<u>WIA DW PY 2009</u>	<u>ARRA OJT NEG</u>
Entered Employment Rate	67.3%	75%
Employment Retention Rate	83%	90%
Average Earnings	\$15,900	\$15,900

Invoicing

LA WORKs is to follow the current CSS requirements for reimbursement including those found in WIAADM N-10-04, Revised Reimbursement Payment Methodology, Revision #1, dated 08-30-10. The Revision includes, as Exhibit C, a sample NEG CASH REQUEST FORM which is to be used for invoicing. In addition, LA WORKs is to ensure there is no duplicity in the invoicing process from the elements completed by other WorkSource Centers. LA WORKs and the referring Center are to have available for monitoring purposes, information which establishes there has been no duplicate invoicing for the program.

Monitoring

LA WORKs is subject to being monitored for OJT NEG as part of this specific Program as well as any monitoring which is done as part of the regular WIA monitoring process.

Reporting Requirements

Reporting is required by LA WORKs for the OJT NEG Program by reporting the ARRA hours worked for this grant as is done for the ARRA Adult and Dislocated Worker programs.

When a participant is hired permanently following the end of the OJT period, LA WORKs is required to maintain a relationship with the participant for the following twelve month period to ascertain ongoing job retention. LA WORKs is to provide the CSS Project Manager with job retention data following the end of the participant's first six month permanent employment period and at the end of the twelve month permanent employment period.

REFERENCES

- LACOD-WIAD08-7 – On-the-Job Training; dated 03/17/08
- WIAD10-01 – Eligibility Technical Assistance Guide, dated 07/01/10
- WIA/ARRA ADM D09-02 – ARRA JTA Deadlines, dated 09/03-09
- WSD09-8 – WIA JTA System Client Forms Handbook, dated 02/11/10

TEGL No. 4-10 – On-the-Job Training National Emergency Grants (OJT NEG) Funded with American Recovery and Reinvestment Act of 2009 Resources, dated 08/-6/10

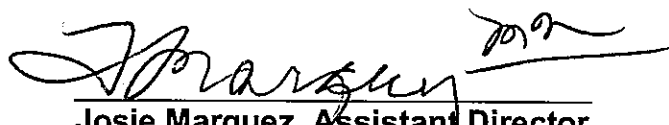
DOL OJT NEG Program and Policy Questions and Answers – updated 07/22/10

WIAADM N-10-04 – Revised Reimbursement Payment Methodology, Revision #1, dated 08-30-10

ACTION

Los Angeles County WIA Contractors should ensure that the policies and procedures described herein are communicated throughout the operations, management, and governance structure of the contractor organization and that this Directive is appropriately maintained until further notice.

Inquiries regarding this Directive and the policies and procedures described herein should be directed to Maggie Mireles, Program Manager, at (213)738-2918 or Judy Weddle, Project Manager, at (213) 639-6093 or jweddle@css.lacounty.gov.



Josie Marquez, Assistant Director
Workforce and Community Services Branch