



North Carolina
Department of Commerce
Division of Workforce Solutions

Beverly Eaves Perdue, Governor
J. Keith Crisco, Secretary

Roger Shackelford, Assistant Secretary

October 17, 2012

LOCAL AREA ISSUANCE NO. 2012-09

SUBJECT: Program Year (PY) 2012 On-the-Job Training Initiative (OJT) for Dislocated Worker Funds available from North Carolina's Workforce Investment Act (WIA) State Rapid Response Allocation

PURPOSE: To transmit policy and requirements for requesting Dislocated Worker OJT State Initiative funds.

BACKGROUND: To encourage and promote employment opportunities for dislocated workers and to assist employers, there continues to be national, state and local emphasis on On-the-Job Training. The Division of Workforce Solutions is making funds available from North Carolina's WIA Rapid Response allocation to address critical needs through OJT by providing additional opportunities to local workforce development areas.

To build on the success demonstrated by North Carolina's OJT National Emergency Grant (NEG) and other local OJT projects, the OJT Initiative outlined in this Issuance will fund OJT programs that: (1) help workers obtain valuable skills while taking advantage of new job opportunities; (2) stimulate the local economy by offering opportunities for participants to earn livable wages; and (3) encourage businesses to hire workers by offering employers reimbursement for a portion of employee wages while new employees are in training.

All Workforce Investment Act regulations must be followed. Specific On-the-Job Training references include: WIA Public Law # 105-220 Sections 101(31)-Definition; 181 (a)(1)(A) and (a)(b)(5); 195 (4); and Federal Regulations 20 CFR Part 663.700-730, 667.266, 667.268, 667.270, 667.272, 667.274 and North Carolina Division of Workforce Solutions On-the-Job Training policy requirements (Local Area Issuance No. 2010-14 and any subsequent revisions).

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Auxiliary aids and services available upon request to individuals with disabilities.

ACTION:

Local workforce development areas may request OJT State Initiative funds by submitting Attachment 1 with a detailed description of funding needs to the Division of Workforce Solutions. Requests will be accepted through June 30, 2013 and may not exceed \$200,000 per request. Funds subject to availability.

OJT Initiative Funds do not include Administrative funds. Financial reporting will be under "Fund Code 2031, Category OJT." Participants must be entered in *WorkforcePlus*TM and will be included in performance calculations. Funds will be available with receipt of the U.S. Department of Labor allotment of PY 2012 'October funds' and must be expended by June 30, 2014.

The OJT Initiative participant must be a Dislocated Worker, and must be determined an appropriate OJT candidate based on the individual's WIA Individual Employment Plan and analysis of acquisition of skills required by employer for competency in the occupation that trainee does not already possess.

Reimbursement for occupational training is provided to the employer for the OJT participant's wages to compensate for the employer's extraordinary costs of training. Through a waiver granted by the U.S. Department of Labor, the following sliding reimbursement scale for wages based on employer size *may* be used:

- 1) 1-50 Employees = up to 90%
- 2) 51-250 Employees = up to 75%
- 3) 251 and over Employees = up to 50%.

(Note: Waiver approval is through December 31, 2012. Request for extension is pending).

While there is not a wage cap for reimbursement, Local Areas are encouraged to be cognizant of maximizing service with available resources. Duration of the training period for reimbursement may not exceed six calendar months.

Employers may be in the private for-profit or private non-profit sectors or in the public sector. The OJT Initiative's goal is to help obtain good jobs at family sustainable wages. Benefits, in addition to wages, should be considered in determining OJT placements.

Average wage level goal is \$14.90 per hour for this Initiative.

N.C. Career Readiness Certificates are strongly encouraged for OJT trainees; however, are not required.

A final report on outcomes and expenditures will be due by August 31, 2014, per Attachment 2.

EFFECTIVE DATE: Immediately

EXPIRATION DATE: August 31, 2014

CONTACT: Division Planner

A handwritten signature in black ink that reads "Roger Shackleford". The signature is written in a cursive style with a large, looping 'R' and 'S'.

Roger Shackleford

Attachment 1
Attachment 2

On-the-Job Training (OJT) State Initiative Fund Request

Local Workforce Development Area _____

The Local Workforce Development Area must submit a request, signed by the Director; in the following format (electronic signature is acceptable):

I. Amount requested: \$ _____

II. Provide the following (may attach up to two pages):

1. Current local unemployment rate and number of persons receiving Unemployment Insurance.
2. Local Workforce Development Area's demonstrated ability to operate OJT programs.
3. Local Workforce Development Area's established plan for recruitment of private, private non-profit employers, and, if applicable, public sector employers. Include industries identified as promising candidates for OJT. Include involvement with partner agencies to identify OJT participants and employers.
4. Local Workforce Development Area's mechanism for identifying workers from industry sectors that have experienced high job loss rates and who may benefit from OJT opportunities in a new occupation or industry.
5. The number of additional dislocated workers to be served with requested funds. Include the estimated average wage to be paid to OJT participants.
6. Budget showing amount of funds for wage reimbursement, staff and other program costs.
7. Include a time line for OJT State Initiative Project operation.

**PY 2012 ON-THE-JOB TRAINING STATE INITIATIVE
FINAL REPORT – due by August 31, 2014**

- I.** Provide outcomes from OJT State Initiative funding in narrative. Include significant learning experiences and recommendations.
- II.** List occupations and numbers of jobs filled and employer(s) participating.
- III.** Provide actual expenditures, showing amount of OJT Initiative funds expended for wage reimbursement listed by each participating employer, staff costs and other program costs. Include average hourly wage paid to OJT participants by occupation and employer. Provide overall project average hourly wage.
- IV.** Provide a chart listing number of employees, by employer, who began OJT and corresponding number who completed (were employed with OJT employer at end of training period), and, wage paid and reimbursement percentage.