



Opening Doors of Opportunities

ALLIANCE

for Illinois Manufacturing

EMPLOYER ENGAGEMENT PILOT PROJECT

NEG OJT Review and Recommendations

Submitted to DCEO Office of Employment and Training

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ALLIANCE FOR ILLINOIS MANUFACTURING
EMPLOYER ENGAGEMENT PILOT PROJECT
NEG OJT Review and Recommendations

BACKGROUND/HISTORY

In his 2012 State of the Union address, President Obama laid out a “blueprint for an economy that’s built to last” which in his words, “begins with manufacturing.” In a Training and Employment Notice (TEN) from Jane Oates, Assistant Secretary for Employment and Training, U.S. Department of Labor, dated April 17, 2012, Ms. Oates stated small manufacturing enterprises (SMEs) comprise 98% of manufacturing firms overall. She went on to state the “growth in the manufacturing sector contributes disproportionately to the economic recovery, benefitting workers, companies, and communities.”

On March 9, 2012, the Tribune reported on the study by Paris-based Organization for Economic Cooperation and Development (OECD) as relates to workforce programs in the region stating: “The region has a good many strengths to build on, the OECD researchers found; among them a diversified economy, a highly educated population, world-class universities and massive, if aging, transportation systems. This region has been a powerhouse in the American economy and the world economy for a long, long time. (Angel Gurría, OECD Secretary General)

However, the report also pointed out “The region has an overwhelming array of job training programs, with 83 for Chicago residents alone and an additional 41 administered by Illinois. As a result, in the tri-state region, a large, disjointed training bureaucracy interacts poorly, if at all, with potential employers.”

In a February 26, 2012, Tribune article by Alejandra Cancino it was reported that “Nationwide, an estimated 600,000 manufacturing jobs are going unfilled, according to a survey by Deloitte and the Manufacturing Institute published last year (2011.) Manufacturers expect the shortage to worsen in the next three to five years as older workers retire. Manufacturers complain it takes up to 18 months to find skilled machinists, welders, operators and engineers.”

Given these workforce talent challenges, the Alliance for Illinois Manufacturing and the North Business Industrial Council spent the past three years collaborating with various workforce and training organizations to develop strategies to assist manufacturers in Northeast Illinois to access qualified employees and train existing ones. In an April 3, 2012, Tribune article it was stated that “Some of the highest returns on educational investments nationwide are in the manufacturing, information technology and allied health fields” (American Institutes for Research.)

In the current NEG OJT Employer Engagement Pilot Project (The Project) the Alliance for Illinois Manufacturing and the North Business & Industrial Council are the lead business organizations. Founded in 1975, the North Business & Industrial Council (NORBIC) has over 35 years of experience in assisting small and medium sized industrial companies with a variety of different services ranging from

hiring new employees to investing in capital equipment to renovating outdated facilities. It is a non-profit economic development organization that works to revitalize the Northeast Illinois manufacturing base with a focus on retaining and creating jobs.

In 2005, NORBIC determined that its existing programs did not offer a comprehensive approach to addressing the core challenges facing manufacturing companies. A variety of solutions existed in a vast array of programs, many government funded. However, few companies were able to navigate through the maze of agencies and programs and their daunting policies and reporting requirements. This fundamental disconnect between critical needs and the right solutions gave rise to the formation of the Alliance for Illinois Manufacturing (AIM.) In an effort to effectively and efficiently gauge a company's vulnerabilities AIM created the Alliance Business Assessment, a simple three-step approach that: assesses a company's needs; identifies the appropriate private and public resources to meet those needs; and, lastly, facilitates the acquisition of those resources. Through this process, AIM improved NORBIC's organizational capacity and that of their partners to respond to the core challenges and opportunities facing area manufacturers.

The Board of Directors of the Alliance for Illinois Manufacturing and the Advisory Board of Directors of its partner NORBIC are exclusively comprised of C-level executives from a variety of businesses. In addition, both agencies have sophisticated extended enterprises consisting of companies from not only manufacturing but finance, banking, business services, sales and marketing, energy, technology and accounting to name a few.

Note: For the purpose of this report only, the term AIM will be used whether referencing NORBIC or AIM.

PROJECT PARTNERS

Because of AIM's extensive experience engaging employers for over three decades, the Alliance was uniquely positioned to act as the lead contractor for this pilot project. Meeting the workforce needs of companies with immediate job opportunities is a primary objective of the organization. In support of that goal, AIM undertook and successfully administered many government funded programs including:

- State of Illinois Multi-Company Employee Training Investment Program (ETIP) allowed AIM to reimburse companies up to 50% of the cost of training grants for new and incumbent workers utilizing training initiatives related to process improvement such as ISO, Six Sigma, 5S and TQS. Since 2001, NORBIC has distributed over \$8 million in training grants to over 400 companies to train over 20,000 individuals. These funds also leveraged over \$16 million in training to Chicago manufacturers.
- TIFWorks, administered by the Chicago Department of Housing and Economic Development allowed AIM and JARC to have a referral agreement wherein AIM referred employers to JARC who managed the grant and provided training. Up to 100% of training costs for new and incumbent workers was eligible for reimbursement.
- Job Training and Economic Development (JTED) a financial aid program funded by DCEO wherein companies are offered up to 100% reimbursement for training employees earning less

than \$16.68 per hour. AIM referred client companies to JARC who administered JTED grants for companies.

- Chicago Department of Housing and Economic Development, Local Industrial Retention Initiative (LIRI,) allows AIM to work with companies located in designated and assigned areas focusing on stabilizing and growing their businesses. AIM also provides technical support for various tax incentives and grants associated with growth.
- Cook County Works (formerly President's Office of Employment and Training) Under CCW's formula OJT funds AIM made client company referrals to its partner, Chicago Federation of Labor Worker Assistance Committee, in the Western and Southern Cook County areas for OJT and Incumbent Worker job orders.
- State Treasurer's Office, Linked Deposit Program enabled AIM to secure low interest loans for client companies from banks that receive State deposits.
- Small Business Development Center (SBDC) is funded by the U.S. Small Business Administration (SBA) and DCEO and affords AIM the opportunity to advise entrepreneurs and existing companies on management issues, business plan development, strategic planning, marketing and equity and debt financing. It is one of four Client Resource Centers operated by AIM.
- Procurement Technical Assistance Center (PTAC) is funded by the U.S. Department of Defense, Defense Logistics Agency and DCEO and enables AIM staff to: develop market strategies for sales to industry and local, state and federal governments; and, assist minority, veteran and women-owned businesses with certifications; and provide companies with guidance through General Services Administration application process. The PTAC aids its clients by identifying government agencies that procure products and services and assists with registration for bid list services.
- International Trade Center (ITC) is funded by DCEO and allows AIM to advise companies selling in foreign markets and assists with market research, export regulations, documentation and financing.
- NAFTA and Latin America Trade Center (NLTC) is funded by DCEO and allows NLTC staff to assist with export readiness analysis of companies and development of foreign market research. Staff also assists with international business development, free trade agreements and export and custom compliance.
- Manufacturing Works! AIM was the only organization in Chicago to have a two year formal referral agreement with this program.

Despite its extensive capacity to administer federally funded programs to assist employers, AIM needed to align itself with partners more experienced in the recruitment and training of suitable job seekers to successfully accomplish the goals of The Project. AIM selected the Chicago Federation of Labor Worker Assistance Committee (CFL) and the Jane Addams Resource Corporation (JARC) as partners. Each organization was thought to have discreet strengths and expertise complimenting those of AIM.

The CFL Workers Assistance Committee is a 501 (c) (3) organization developed, sponsored and endorsed by the Chicago Federation of Labor in 1994. The agency is well versed in a variety of government funded programs including:

- Job Training Partnership Act (JTPA, 1994 – 2000)
- Workforce Investment Act (WIA, 2001 – present)
- Community Development Block Grant (CDBG, 2001 – present)
- Older American Act, Title V (2005 – 2007)
- Employer Training Investment Program (ETIP)

The CFL has consistently met or exceeded all WIA performance measures for its past and current grants. CFL staff is fully trained in a variety of relevant government program policies, procedures and associated tracking systems. As a WIA service provider, the CFL has worked extensively throughout the entire Cook County region having developed long established relationships with other WIA funded agencies.

The CFL successfully partnered with AIM prior to the NEG OJT grant, linking job orders from manufacturers and making OJT and Incumbent Worker placements. Much of CFL's overall success in this joint venture can be attributed to the referral of AIM client companies. This partnership was a precursor to the business model implemented in The Project.

Founded in 1985, the **Jane Addams Resource Corporation (JARC)** is an economic development agency dedicated to promoting industrial retention throughout the greater Chicagoland area by providing economic and workforce development services to businesses to improve their competitiveness. JARC has long been recognized as an industry leader in manufacturing training and curriculum development, focusing on critical skills gap shortages in manufacturing such as CNC machining and welding (areas identified by the Illinois Department of Commerce and Economic Opportunity in need of improvement.) Its training programs are focused on metalworking industries which are a vital and vibrant aspect of the local manufacturing base. JARC offers on-site training for companies as well as open enrollment classes at their training center. AIM has successfully partnered with JARC on TIFWorks, JTED, OJT, Incumbent Worker and ETIP programs.

Given that training is the cornerstone of the NEG OJT program, companies participating in this pilot project were thought to very likely be in need of assistance in developing and rolling out training activities including tracking outcomes of those activities. In light of previous successful collaborations, the CFL and JARC seemed well qualified to assist Aim in the undertaking of The Project.

PROGRAM DESIGN

Identifying Employers

As a matter of course, the Alliance proactively identifies manufacturing companies through partnerships with local, state and federal government agencies, trade associations, private partners and other economic development agencies. AIM has long-term relationships with over 750 companies in the Chicago area and is in contact with another 7,500 on a regular basis. It leverages its relationships with local economic development entities, chambers of commerce, trade associations, training institutions and city and state business assistance organizations to offer a unique set of services to assist

manufacturers in identifying and ultimately solving their workforce needs. AIM and its industry partners have the capacity to inform and engage a significant number of diverse companies.

As previously stated, once identified, AIM staff conducts an extensive business assessment for its employer clients. Based on the results, AIM leverages the capabilities of its own programs as well as those of select partner agencies to create an integrated action plan that outlines specific solutions to address targeted areas of need.

The NEG OJT program allowed AIM to assist companies in accommodating their workforce needs by supplying them with qualified candidates for job openings and the funds with which to train them. AIM employed the following activities to outreach to potential employers:

- ✓ Cold calls
- ✓ Word of mouth
- ✓ Mass emails
 - 7,500 through NORBIC & MNI databases
 - 20,000+ through the Illinois Entrepreneurial Network
 - Manufacturing companies
 - Professional services companies
 - Commercial companies
- ✓ Seminars
- ✓ Presentations to other employer groups (e.g. Chambers of Commerce, ICNC)

In addition, AIM tapped their network of existing client companies through the following means:

- ✓ Existing business assessments
 - Identified hiring needs
 - Reverse referrals
- ✓ Mass emails to over 800 employers
 - Personalized to “select” clients
- ✓ Individual phone calls to “select” clients

These efforts generated a pool of prospective employers with potential OJT opportunities. AIM then initiated a vetting process which yielded:

- ✓ Master Agreements
- ✓ Job Descriptions including salary

The final outcome of this process was a cache of real job orders. The obvious next step was to match these job orders with qualified candidates. In order to accomplish this onerous task AIM relied on the expertise of its project partners.

Recruiting Eligible Job Candidates

For this portion of the initiative, the lead workforce partner was the CFL. Candidates were also recruited from JARC, LWIA 8 and Chicago Women in Trades. However, even with the addition of these established agencies, there were not enough skilled candidates available in the “pool” to meet the demand. Consequently, companies were forced to identify and recruit potential workers from various outside sources including but not limited to Monster.com, Craig’s List and walk-ins. These candidates were deemed “reverse referrals” and enrolled into the workforce system, most often through LWIA 8 and CFL.

PROCESS UTILIZED IN PILOT INITIATIVE – “THE WAY IT WAS”

Step 1: Identifying Employers – Initiating the Process

Primary Source: Alliance for Illinois Manufacturing

Secondary Sources: CFL, Industrial Council of Near West Chicago (ICNC,) Illinois Entrepreneurship Network (IEN,) LWIA 8, LWIA 7 & JARC

AIM prescreened over 250 companies resulting in 82 referrals and well over 200 job orders. Most employer inquiries were generated by a mass email campaign as well as direct assessments and seminars. Through marketing efforts by AIM, other employer groups such as Illinois Manufacturing Extension Center (IMEC,) the Tooling and Manufacturing Association (TMA,) IEN and ICNC were also engaged to assist in recruiting companies for The Program. However, only ICNC and the IEN provided any meaningful referrals. ICNC directed 30 companies and over 75 job orders and the IEN contributed 10 companies and 20 job orders from the Chicago Metropolitan area and an additional 8 companies and 10 job orders that were referred to downstate LWIAs. CFL also had existing relationships with employers and spoke with an additional 150 companies resulting in 48 employer referrals and over 100 job orders. A small number of referrals were provided by JARC and LWIA 8 as well.

Companies were vetted by AIM and CFL through similar processes. ICNC’s referrals were handled directly by CFL. Each agency marketed the program to their existing contacts. Companies contacted by the IEN or AIM were instructed to contact AIM for a detailed explanation of the NEG OJT program. Most of these initial contacts were conducted over the phone with a 30 minute screening to determine if the company had full-time, permanent job openings and to thoroughly explain the program. If the company had a real job order, an AIM representative would send the company an email that described the reimbursement level, program rules and specific instructions on how to fill out the Master Agreement and SATO. Once the Master Agreement was completed and returned by the employer, AIM would then forward it along with the company’s job descriptions to CFL.

What Worked: Consortium agencies, with their individual strengths, possessed the requisite expertise to accomplish the goals of The Project.

- AIM had strong ties to employers built on decades of servicing their needs.
- CFL and LWIA 8 were well versed in WIA, administering programs since its inception and were familiar with the Illinois Workforce Development System (IWDS) and other reporting requirements of the State and funding source. They also had relationships with employers.
- IEN provided a statewide network of employers from various industries.
- ICNC had experience working with employers in the manufacturing sector in near west Chicago.

Recommended Improvements: While each agency in The Project has relationships with employers to a greater or lesser extent, for purposes of the NEG OJT program and other programs like it, one agency should serve as a single point of contact with employers to avoid confusion, unnecessary delays and unproductive competition. Division of labor needs to be done according to agency expertise and overall workload. Every effort should be made to ensure that agencies contributing to the process receive credit for the program's overall success. Conversely, if and when unacceptable delays occur, the lead agency representing the employers' best interests, must step in to resolve the situation and keep the process on track.

When identifying employers, emails and calls should be narrowly targeted to fit the focus of a particular project and funding source thus avoiding massive responses that cannot be accommodated. It is also important that companies be scrutinized to a certain extent to ascertain their credibility as an employer and business partner.

Step 2: Identifying Job Candidates - Documenting the Process (2 weeks)

1. CFL receives job description including salary range and Master Agreement
2. CFL and LWIA 8 retrieve resumes of qualified candidates from their existing WIA 1D/NEG client pools, sorting eligible clients into one of six cohorts: Manufacturing/Warehousing/Transportation, Distribution and Logistics; Administrative Support/HR/Customer Service; Outside/Inside Sales and Marketing; Accounting/Finance; Health Care; and IT and computer-related businesses. AIM euphemistically refers to these categories as the "bucket system."
3. Reverse referral process (parallel process, 5-10 working days)
 - a. CFL received candidate resumes and job descriptions
 - b. CFL "pre-qualifies" candidates via phone call
 - c. Candidates enrolled by LWIA 8 if NEG OJT eligible (face-to-face meeting at LWIA 8 office)
 - d. If ineligible for NEG OJT, candidate enrolled by LWIA 8 or CFL under formula ID OJT or other program if appropriate
4. CFL matches qualified candidates from both sources to job order specifications
5. CFL forwards resumes of candidates directly to employer
6. Employer interviews select candidates and extends "conditional" offer to hire pending Master Agreement and SATO approval by CFL (on average, 5 business days, sometimes 2-3 days longer)

The primary partnership in The Project consisted of AIM, CFL, JARC and LWIA 8 (Northern Cook County). However, candidates also came from LWIAs 1, 4, 6, 7, 9 and 10. In those instances, agencies were required to transfer client files to LWIA 8 in order to utilize the NEG OJT funding that supported The Project. This transfer entailed closing then re-opening client files (both the hard copy file and the IWDS entry.) Many agencies were reluctant or refused to work with AIM or CFL because they would then not get "credit" for the placement or possibly be left with a negative exit.

This convoluted process became counter-productive; unnecessarily limiting the pool of qualified job seekers from which to draw and lengthened the time it took the CFL to refer viable candidates, causing the first group of employers to go un-served by the partnership.

What Worked:

- Candidates were culled from two different sources (existing WIA pool and reverse referrals) at the same time, on parallel tracks;
- Workforce agencies continued to work directly with candidates with whom they had established relationships and had been determined to possess the appropriate skills as described in job orders; and
- Employers actively engaged in recruiting workers that had potential but needed training in order to be employable and hit the ground running upon hiring.

Recommended Improvements:

- AIM should be the primary contact for employers taking the lead developing the Master Agreement, job descriptions, SATOs and determining the appropriateness of reverse referrals;
- Workforce agencies should focus on the talent pool through the delivery of core and intensive services, including the development of resumes and matching qualified candidates with job orders. Neither the employer nor the candidate should be caught in the middle of WIA related issues such as enrollment decisions and locations;
- The enrollment process should be user friendly for the candidate and not add undue hurdles and obstacles. When at all possible, enrollment should occur on-site at the employers' location or the nearest WIA site to the employer.

Step 3: Placing Job Candidates – the Final Hiring Process (5-7 working days)

1. Employer submits 1st draft of SATO to CFL
2. CFL evaluates SATO and total training hours requested
3. CFL negotiates with employer if original plan requires modifications
4. SATO is approved by CFL and employer is notified
5. CFL established the start date upon approval of the SATO
6. Master Agreement is completed and approved by CFL and signed by employer and CFL
7. SATO is signed by employer, CFL representative and new hire on first day of work, original is sent to LWIA 8
8. Copy of SATO is placed in client's file and data is entered into IWDS

What Worked:

- Appropriate forms completed and sent to responsible parties.
- Relevant data entered into IWDS.
- SATO process and documents educated companies on developing efficient training for new hires

Recommended Improvements:

- This entire process must be streamlined;
- The Business Management Agency must be aware at all times of how the process is proceeding to ensure timely hiring and training of employees;
- Ongoing communication with employers on progress is essential to the entire process and assures that goals will be met and employer expectations managed;
- The Master Agreement should be processed as soon as it is signed by the appropriate parties;

- SATO is signed on first day of employment by all parties; and
- Alternative strategies to closing and opening client files during the transfer process should be researched.

EMPLOYER WAGE REIMBURSEMENT (2-4 months)

A key implementation element of The Project and of great importance to employers was wage reimbursement. DCEO determined reimbursement would be done monthly. AIM and CFL informed companies of this decision, however, project partners were often not able to deliver on this promise.

Given the unique circumstances of LWIA 8 having the state as CEO and KEB as fiscal agent, the process for reimbursement was bound to be more complex, resulting in payments taking more time. CFL retrieved and organized documents from employers and sent them to LWIA 8. Staff there went through a rigorous process to verify documents were both present and accurate per their contract. Staff at KEB which is located in Springfield, IL, had a similar verification process as well as a fiscal component. Checks were cut and overnighted to CFL every other week. CFL then delivered payment to employers, often in person.

Verification of documents and fiscal processes seemed to get worked out over time. However, retrieving the appropriate documentation from employers was often an arduous task leading to the delay in reimbursement.

What Worked: Ultimately, employers got reimbursed for sorely needed training of employees.

Recommend Improvements:

- Ensure duplicative processes do not occur;
- Keep fiscal responsibility, including the writing and disbursement of checks, with the lead business management agency;
- Deliver checks expediently via mail or direct deposit if possible;
- Train employers in the submission of all relevant documentation required for reimbursement; and
- Track the reimbursement process; note points of delay and intervene with technical assistance as needed.

DELIVERABLES AND OUTCOMES AS OF 4/30/12

In less than six months, the collaborative reached out to over 160 businesses from a variety of sectors yielding 423 job orders resulting in 52 placements, expending \$518,192 in NEG OJT funds. The collaboration made an additional 12 placements expending \$128,262 in NEG OJT funds in LWIA 9 (not in AIM's scope of work for NEG OJT) and 12 more placements expending approximately \$150,000 in formula OJT funds in LWIAs 7 & 8. The average wage per placement was \$19.08 with a retention rate of 85% (64 of 75 individuals.)

LESSONS LEARNED/BEST PRACTICES – “THE WAY IT SHOULD BE”

Based on the experience of The Project it is clear that key re-designs will provide a more effective and efficient process.

Contracting Recommendations

1. To the extent possible, every effort should be made by all parties to determine essential services, deliverables, timeframes, benchmarks, etc. up front. No changes should be made after execution of the contract unless absolutely necessary and with the agreement and sign-off of all effected parties. Ample time should be allowed for partner agencies to coalesce and develop strategies to carry out the contract specifications.
2. Reconsider using NORBIC as the contracting agency. The Alliance for Illinois Manufacturing was asked to be the contractor on this grant since it was included in LWIA 8’s Local Plan submitted to the State of Illinois. However AIM was created to serve as an umbrella organization and was not meant to hold any government grants. Many of the policies and procedures required by DOL were not in place under AIM and had to be implemented in very short time. NORBIC has over 35 years of experience managing various local, state and federal grants and is the logical entity to manage any WIA grants in the future.

Program Design Recommendations

1. Single point of contact for employers is a **must**. Through OJT Monitoring visits conducted on behalf of LWIA 8 with participating employers, it was identified that many were confused as to where AIM’s responsibilities ended and the CFL’s began. Employers should not be “passed off” to multiple entities. Doing so creates unnecessary confusion, alienating potential employers and discouraging them from taking part in the program. Also, by having one point of contact, the employer always knows who to call or email with any questions or issues/problems related to the OJT program. When additional hires are to be made, the employer knows exactly who to call.
2. Establish clear roles and responsibilities for partner agencies including accountability. Each organization in the partnership should focus on its strengths. The development and processing of the Master Agreement, the SATO, invoicing, payment and verification of support documentation should be the responsibility of the Business Management Agent, not the Primary Workforce Agency as it was in the pilot project.

The Primary Workforce Agency must focus on recruiting and developing eligible job seekers and matchmaking resumes to job orders. This is a labor intensive task and as equally important to the process as is the identification of employer partners. Expanding the number and types of feeder agencies is essential to ensure an adequate pool of candidates from which to choose.

Dealing with employer paperwork is time consuming, distracts from the primary objective of delivering qualified candidates to employers and can cause significant delays in the referral process. This responsibility must be shifted to the BMA for reasons cited above.

3. WIA agencies need ongoing training on identifying the marketable skills of their existing clients, preferably from an employer perspective. CFL seemed to have a well-defined approach for doing so for its clients utilizing, among other practices, an internet-based skills assessment program. It

was clear, however, that other workforce agencies involved in the program did not have adequate information regarding their OJT candidates. That situation led to The Project losing the opportunity to fill job orders identified early on and throughout the process. CFL conducted workshops for LWIA 8, helping its One-Stop operator to better assess client skills. The PWA must ensure that all workforce agencies in the partnership have similar systems in place.

It is AIM's belief that the development of a "bucket system" would also assist agencies by properly cataloging clients into universally recognized, sector-based cohorts. Expanding the number and type of "feeder" agencies to include community colleges, proprietary schools, veteran and other organizations that serve job seekers would also be of great benefit.

4. Regional boundaries and the impediments they pose must be addressed. Effective collaboration between LWIAs and other workforce agencies is absolutely essential to the uninterrupted flow of potential workers to companies whose economic survival depends on it. Some of the issues identified in the previous section (Steps 1 & 2) may be addressed when LWIAs 7, 8 and 9 (western and southern Cook County and northern and central Cook County respectively) are consolidated into one LWIA, a process that is currently underway. However, LWIAs in Will, Lake and DuPage counties will still experience the same problems previously described unless and until changes are made in the referral process. At center stage is the issue of sharing "credit" for placing clients served by multiple agencies.
5. Establish reasonable but absolute timelines. Virtually every company that has been interviewed during the OJT monitoring visits complained about the timeliness of receiving resumes, having questions answered and getting reimbursed. Companies expressed frustration over what they considered unrealistic deadlines, providing for only a few days to submit paperwork. This situation was exacerbated when companies were not paid monthly as promised. Timelines must be realistic and companies must not be misled about reimbursement periods, especially smaller businesses where cash flow is tighter and the ability to forecast is very important to their viability.
6. The OJT funding should be housed at the BMA utilizing a model currently implemented by DCEO for the Employee Training Investment Program (ETIP.) Under ETIP, DCEO awards grantees the full contracted amount. Grantees are not allowed to disburse funds until DCEO has reviewed the reimbursement package submitted by the company. Once DCEO staff certifies the reimbursement package is in compliance, DCEO gives the "go ahead" for the grantee to disburse funds to companies. Checks are issued by the grantee and can be done almost immediately. Audits are conducted to assure that all requirements are met.

Implementing a similar model for the OJT program would address most of the challenges surrounding the reimbursement process. Under the current model there are three different agencies reviewing documentation submitted by the employer causing confusion, increased processing time and the possibility for inaccuracies in the reimbursement process. Using the ETIP model would eliminate one entity from documentation review and drastically reduce processing time limiting the opportunity for confusion and/or lost documentation during transfer.

No matter how streamlined the process is, however, employers cannot expect to be reimbursed in a timely fashion unless they submit the appropriate paperwork in a timely fashion as well. After all, it is this first submission that triggers the subsequent steps in the process. Careful attention must be paid to the instructions given to employers at this juncture as they will most likely be asked to

submit paperwork that is specific to differing funding sources. Close tracking of this part of the process can go a long way towards ensuring timely pay-outs.

7. Program enrollment for qualified job seekers should be streamlined. Partner agencies must be allowed discretion to have candidates enrolled without individual approval from the LWIA. This protocol lengthened the processing time on many occasions and was another source of frustration for employers.

The necessity of employers referring individuals, identified by them, for inclusion in The Project so as to have viable candidates to fill jobs speaks to the need for expanding the number and types of feeder agencies, as previously mentioned. IDES, a WIA partner agency, might be better utilized as it has the capability of generating a list of eligible 1D candidates by occupation

Reverse referrals should be given due consideration in future projects. In its most robust years, WIA was not funded well enough to serve everyone in need of employment services. After years of a steady decline in funding, WIA can serve only a fraction of those in need, especially in an economy that is struggling to revive itself. It may very well be a sign that the WIA system is currently unable to reach much less serve everyone in need that job seekers arrive directly on the doorstep of employers. Through commonly used recruiting techniques such as Monster.com, Craig's List and other social media, employers seek out qualified individuals to fill open positions. In many cases, those job seekers may possess the requisite skills to learn how to do the job but need further training to be successful on the job. OJT programs fill a critical need for both employers and job seekers. Regardless of how potential employees are identified, on-the-job training programs can and should be fully utilized to maximize the benefits to both.

Towards that end, it is critical employers understand that in order to receive financial assistance for training their referrals must go through the necessary steps to be deemed eligible and enrolled into the WIA system which provides the funding. Further, employers must be adequately informed that this process includes pre- and post-testing, skills assessments and certain other requisite services. In return, the employer receives a great deal of financial assistance in training their workforce.

Business Management Agency (BMA) Responsibilities

To ensure a consistent level of service to business clients, the designated lead agency for employers should deliver the following services:

- Initiate and develop in-depth relationships with each company identified by partner agencies in an effort to fully understand its capacity both as a business and workforce partner;
- Maintain consistent contact with company and assist them in all areas of the process;
- Make presentation to company representatives
 - Overview of OJT program requirements and process
 - Description of candidates in pool
 - Review of documents necessary to participate in program;
- Forward select resumes to employers;
- Initiate reverse referral enrollment process when warranted, with follow-up;
- Assist in the completion of Master Agreements, job descriptions, SATOs;
- Forward job and company descriptions to Primary Workforce Agency for action;
- Forward resumes to company for review;
- Finalize & approve Master Agreement and SATO and distribute to appropriate parties;

- Tracking and monitoring OJT placement progress and success;
- Initiate and monitor invoicing, support documentation and reimbursement; and
- Troubleshoot problems and delays.

Primary Workforce Agency (PWA) Responsibilities

What became obvious during the pilot program was the need for a lead workforce agency to rigorously coordinate other “feeder” agencies to ensure enough qualified candidates are identified and matched with specific job orders from BMA companies. The PWA may or may not be a WIA agency, however, detailed knowledge of the WIA system is essential. The duties of the PWA are twofold: 1) coordinate activities among all workforce agency partners to identify and refer appropriate candidates into the program; and 2) facilitate the distribution of information and work product to and from the BMA to workforce agency partners. The PWA is ultimately responsible for the quality of candidates sent to the Business Management Agency.

Key responsibilities of the Primary Workforce Agency are to:

- Ensure all workforce agencies are adequately preparing job seekers for the OJT program through:
 - core and intensive services, specifically, training and labor market information, individual career planning, resume preparation, career counseling and comprehensive assessments;
 - Informing clients about companies in the program, job opportunities within those companies, requisite skills needed to succeed in jobs being offered and details of the training plan for the jobs;
 - Impart a clear understanding of the business sector(s) participating in the OJT program;
 - Ascertaining job seekers willingness to work in the business sector(s) participating in the program;
- Develop and conduct training sessions for other workforce partners to help them better assist candidates referred for job interviews through OJT Program;
- Receive and distribute BMA job orders to workforce partners for resume sourcing;
- Implement and oversee system for selecting candidates and referring them to BMA in a timely manner; and
- Notify appropriate workforce agency which of their candidates have been referred to companies.

Key required and desired responsibilities of workforce agency (WA) partners are:

REQUIRED

- Delivering at least one intensive service to candidates and confirming candidate is in need of occupational training;
- Ensuring candidates are eligible for the OJT (or other) program base on technical requirements as defined by DCEO/USDOL;
- Performing quantifiable skill gap assessment using Prove It or similar industry recognized tool or an employer’s assessment to that is relevant to the specific business;
- Developing an Individual Employment Plan (IEP);
- Ensuring candidate is job ready
 - Resume with appropriate focus for the position being submitted and presentable to an employer
 - Candidate should be interview-ready and able to articulate his/her skills and strengths as they relate to the position

- Have the endorsement of his/her career advisor
- Ensuring resumes are accurate and have current contact information and that candidate is not currently employed;
- Matching resumes in candidate pool based on job order specifications;
- Emailing resumes to PWA; and
- Notifying candidates of referral and job opportunity.

DESIRED

- Dressing for success mentoring;
- Marketing candidates' skills, a "How To" workshop;
- Mock interviews sessions;
- Interviewing skills practice sessions; and
- Job clubs

Responsibilities of Business Management Agent (BMA,) Primary Workforce Agency (PWA) and Workforce Agencies (WA)

Responsibilities	BMA	PWA	WA
Recruit Employers	●	◐	◐
Employer Presentations	●		
Develop Master Agreement	●		
Develop SATO	●		
Develop Job Descriptions	●		
Review Resumes	◐	●	●
Monitor Invoicing, Payment And Support Documentation	●		
Troubleshoot Problems And Delays	●	●	
Recruit Job Candidates		●	●
Prepare Job Seekers		●	●
Receive & Distribute BMA Job Orders to WAs		●	
Implement & Oversee System For Selecting Candidates		●	
Notify WAs Their Candidates Have Been Referred		●	
Initiate Reverse Referral Process	●		
Enroll reverse referrals		◐	◐
Track Placements and Retention	◐	◐	◐
Conduct Training Sessions For WAs		●	
Determine Job Seeker Eligibility		●	●
Perform Skills Gap Assessments			●
Develop IEPs			●
● Full/Equal Responsibility ◐ Partial Responsibility ◑ Minimal Responsibility			

CONCLUSIONS:

Most everyone is familiar with the expression “we had to build the plane as we flew it.” And, many of us have found ourselves in that unenviable position at one time or another for any number of reasons. One thing most people who have lived this experience would agree on is, while we got to our final destination, it was a very bumpy ride.

DCEO’s plan to have LWIA 8 function as the repository for NEG OJT funds that were in jeopardy of going unspent and to form a partnership to expend those funds was fiscally prudent. The unconventional contracting process, however, and the accelerated time table that all of the partners described left inadequate time for planning and the development of a cohesive partnership. While the program was successful in that it accomplished the goals outlined in the grant application, it was not without its “bumps” as one employer stated. Still, the partners persisted in identifying road blocks and tackled difficult issues learning a lot along the way.

All of the partners in The Project had previously run OJT programs themselves, although, some had not administered a National Emergency Grant. They were primary contractors that may or may not have had partners but if they did, they were of their choosing. They were used to running the show. The partner agencies in The Project differed, sometimes greatly, in their work cultures and practices. A critical issue was how the employer was viewed in the bigger scheme of things. Not everyone agreed the employer was the primary customer and the driving force behind The Project’s objective as did AIM. This fundamental difference was the root cause for a bit of tension and disagreement about programmatic priorities.

Interfacing with employers cannot fall under “other duties as assigned” when the goal is to get people employed. It takes a level of expertise and a culture that speaks the language of employers to develop relationships that can deliver the bottom line...jobs. AIM is uniquely qualified to take the leadership role administering programs designed to train job seekers, filling critical needs of employers with real job opportunities. That is not to say that other partners did not have a vested interest in which employers were brought to the table.

As previously mentioned, every partner in The Project had established relationships with employers. Further, each felt that it was within their mission to help build the capacity of employer partners. In a discussion with representatives of the Workforce Board of Northern Cook County and its One-Stop operator, Business Career Services and the CFL there was a consensus that many of the employers that had been brought to the table lacked in basic business skills such as the ability to write job descriptions, conduct training and, in some cases, process payroll. These perceived deficiencies caused the partners considerable concern about the chance for successful placements and retention, factors that play a role in their individual performance measures. There also seemed to be a bias against companies that paid low wages and had poor working conditions, in part due to concerns about the well-being of workers, but performance outcomes may have been a more pressing issue.

AIM did not bring all of the companies to the table. However, many employers they did refer into The Project were existing clients, companies they had more extensive knowledge of based on their business assessments. Others were companies that responded to the extensive outreach campaign AIM had conducted. In many of those instances, AIM may have had little or no direct knowledge of their

business acumen. Given more time to develop relationships with these companies vis-a-vis assessments or other meaningful interactions, AIM may or may not have chosen to include them in The Project.

The same was true for vetting job seekers, especially reverse referrals. Partner agencies definitely felt a disconnect when job seekers came from outside the regular WIA process. They even expressed a level of discomfort when having to accept file transfers from other LWIAs and make placements without ever having “touched” the client.

The short timeframe within which the partnership had to make placements seemed to be more of a driving force than honoring the time necessary to assist employers think through the process of selecting appropriate candidates or preparing and selecting the candidates themselves.

At the end of the day, it is what it is and the partnership rallied to successfully perform the duties outlined in their respective contracts. By contract terms, The Project was, in fact, very successful.

Boundaries and Cultures

Boundaries, perceived and real, thwarted the efforts of the partners at almost every turn. From program and funding boundaries (OJT, NEG OJT, 1D, 1S, 1A, no doubt some have been overlooked,) to physical, geographic boundaries, to agency and sector boundaries, the very term “boundary” connotes “limits.” While everyone would have liked for employers and job seekers not to have been aware of, much less dealt with, boundaries, it was virtually impossible.

Differing cultures, be they within regions or between agencies or peoples, also caused fragmentation within the partnership. To be sure, there are very few agencies that don’t think their well thought out way of doing business isn’t the better way. Beyond the federal regulations and state policies there are local imprimaturs.

Despite the boundary and culture issues, the partnership did persist and learned a lot from each other in the process. That too, is a benchmark of success.

Thinking Outside the Box

Could The Project be improved? Undoubtedly. Could it be replicated? Absolutely. Does it have to be so hard? NO!

Each stakeholder, from the top to the bottom (federal, state and workforce agencies and employers) needs to ask itself “what changes can we make for this process to go more smoothly?” From regulations, to policies, to processes, there is room for improvement. Some improvements require legislative advocacy others require a will and commitment to change the things someone said couldn’t be changed. The chart that follows lists some stumbling blocks and possible solutions.

Stumbling Blocks	Possible Solutions
LWIA boundaries/transfer of client files	Research IWDS technology options
Lean job seeker pool for manufacturing	Recruit more “feeder” agencies
Reverse referrals	Clarify for employers/job seekers project funding requirements
Reimbursement process	Train employers on proper paperwork submission and have a review process in place
Accelerated timelines	Unified roll-out strategy
Employer business acumen	Know your companies, offer technical assistance, repeat process
Funding, changes in allocations	Expect and plan for the unexpected

In even less than a perfect world, all of these stumbling blocks can be addressed. Absent that, partners must be flexible and resilient and always have a Plan B.

Once the perfect plan has been hatched it has only to be sold. Enter the WIIFM Rule: What’s In It for Me?

An employer driven model with one organization, a Business Management Agency, taking the lead has many advantages for project partners. An underlying principle of this model is that each partner plays to its greatest strength while equally valuing the complementary strengths of the others. In doing so, each agency is allowed to focus on mastering a set of responsibilities critical to the overall process and outcome. Precious resources are targeted, not diluted. Implicit in this model is that roles and responsibilities are clearly defined and the outcomes are mutually supported.

Any winning franchise will tell you that there is no I in TEAM. If the team wins, the players win and the owners are happy. That’s what’s in it for everyone.

COMPARE AND CONTRAST NEG OJT WITH FORMULA OJT

The primary differences between NEG OJT and formula OJT relate to eligibility, length of benefits and percentage of reimbursement by company size. The eligibility for NEG is that an individual needs to have been unemployed for 22 non-consecutive weeks between January 2008 and the current date. Additionally, the NEG program offers companies of less than 50 employees 90% wage reimbursement for up to 6 months. For companies with less than 250 employees, the wage reimbursement is 75% and for companies over 250 employees the reimbursement is 50%, the same amount as the regular OJT program. The enrollment process is essentially the same, with the exception that potential candidates will need proof of their 22 week unemployment status.

	Formula OJT	NEG OJT
Client type	All WIA funding types	Dislocated Workers only
Length of time unemployed	None	22 weeks non consecutive
Documentation for candidate	Standard WIA requirements, SATO	Standard WIA requirements, SATO, and Pre and Post Skill Assessment
Documentation for employer	Master Agreement, SATO, Reimbursement Package	Same
Length of training period	Maximum of 1040 hours	Same
Reimbursement level	50% of candidates wages	Up to 90% depending on company size

TRANSITIONING NEG OJT PROGRAM TO A FORMULA OJT PROGRAM

There are two issues relating to “transitioning” from a NEG OJT program to a formula OJT program. One has to do with the differences between the two programs as noted in the chart above. The other has to do with extending the current NEG OJT contracts (employers and trainees) through a formula OJT program.

With respect to moving from NEG OJT to formula OJT, AIM has been working with CFL for several years linking employers to job candidates for Cook County (servicing the South and West Cook County areas) under the formula OJT program. There would only be a small, if any, learning curve to overcome.

Nearing the end of The Project, AIM had a number of employers reporting they would be posting new job openings in the near future and a number of qualified OJT candidates in the pipeline. Those candidates could not be enrolled in the NEG OJT program as their required training time, as defined in their SATO, would have taken them beyond the June 30th end date. Employers with new job opening would not have been able to be served unless new funding sources were identified. Together DCEO and AIM fashioned a resolution using formula OJT.

SUCCESS STORIES, ARTICLES, PROJECT FLYERS, MARKETING INFO

Specific success stories, copies of articles, project flyers and marketing information will be provided in the final report.

PLAN FOR FUTURE PRESENTATIONS TO OTHER WIA AGENCIES

As requested by DCEO, the Alliance will make a presentation to other LWIAs informing them of the Employer Engagement Initiative, including the process used, best practices and relevant information concerning working with a business organization to complete a successful employee placement program for both OJT and Incumbent Worker training.

ALLIANCE FOR ILLINOIS MANUFACTURING - BUSINESS MANAGEMENT AGENCY

EXISTING CLIENTS

- Alliance Business Assessments
 - Hiring needs
 - Reverse referrals
- Mass Emails (1800)
 - Personalized to "Select" companies
- Individual Calls to "Select" Clients

PROSPECTIVE EMPLOYERS

- Cold calls
- Word of mouth
- Mass emails (7500, IEN - 20,000, Mfg., Professional Services, Commercial)
- Seminars
- Presentations to employer groups/associations

Potential OJT

Vetting Process

- Master Agreement
- SATO
- Job Description

Real Job Orders

- Current
- Future

PRIMARY WORKFORCE AGENCY

- Alliance Business Assessment Process
 - Training Needs
 - Financial Resources, etc.

AIM functions

with time constraints

COMMUNITY COLLEGES

WIA AGENCIES

- Get resumes
- Train workforce agencies in "Bucket System"

PROPRIETARY SCHOOLS

- Job Descriptions
- Company Descriptions
- Special Requirements (physical, logistical, offender status, etc.)

VETERANS AGENCIES

REVERSE REFERRALS: Monster.com, Craig's List, Community College postings, Walk-Ins, etc.

