

On-the-Job Training (OJT) as an Economic Development Tool

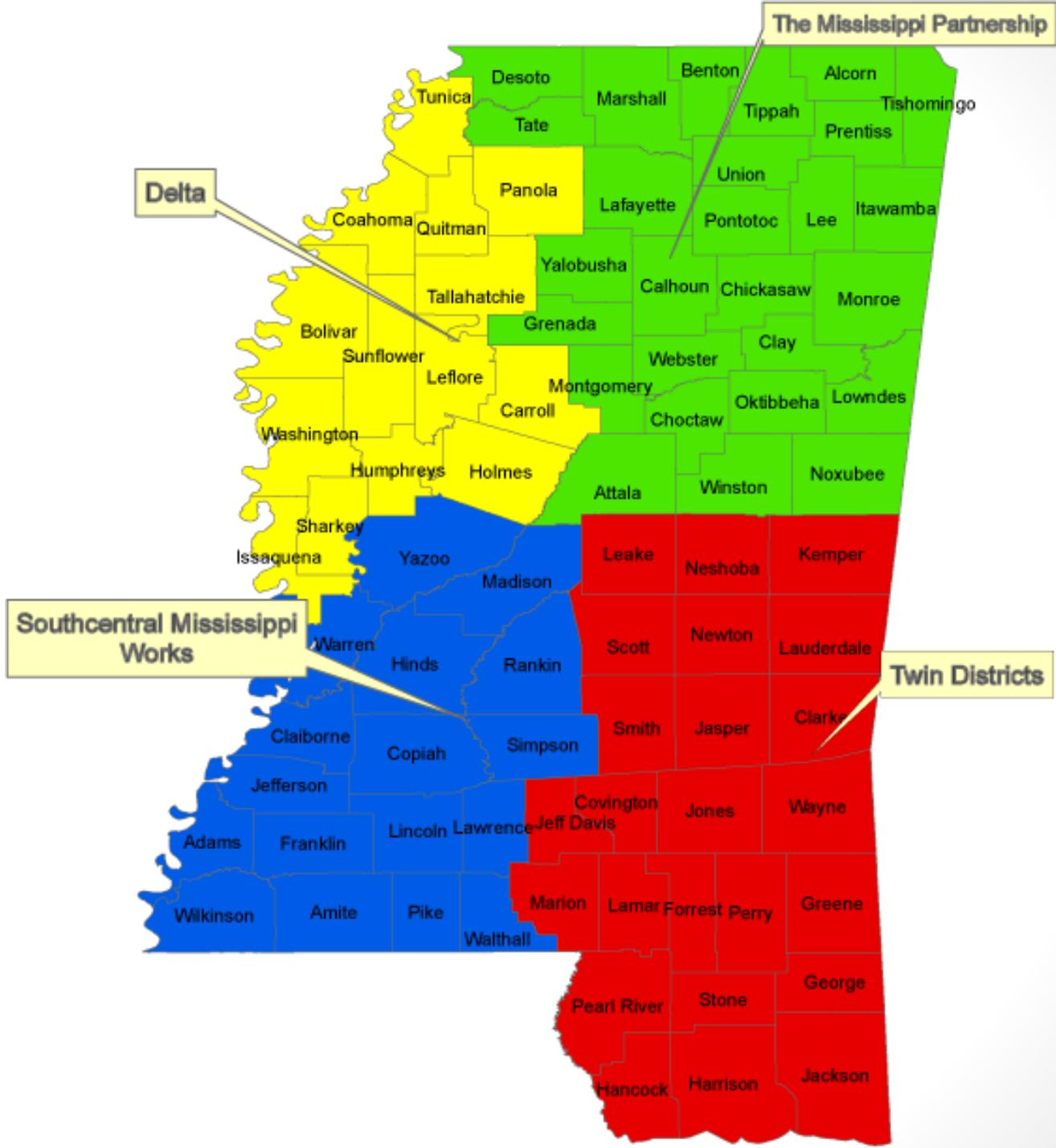
Presented by:
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The Mississippi Partnership LWIA
Three Rivers PDD



Who we are:



- Three Rivers PDD is the fiscal/administrative agent for the Mississippi Partnership.
- The Mississippi Partnership is one of four workforce areas in the State of Mississippi created for the purpose of providing activities authorized by the Workforce Investment Act of 1998 (WIA).
- We have 16 WIN Job Centers and 7 Youth Providers who provide services to our customers, both job seekers and employers.



WIA Employer Services

- Post job openings
- Recruit job seekers for employers
- Screen applicants to ensure the right workers with the right skills are referred to employers
- Provide office space for interviewing to employers
- Provide training cost reimbursement to employers who hire and train an employee
- Assist companies with Rapid Response services to help manage layoffs

On-the-Job Training (OJT)

OJT is training provided by an employer to a paid participant while engaged in productive work that:



- Provides knowledge or skills essential to the full and adequate performance of the job;
- Provides reimbursement to the employer of up to 50% of the wage rate of the participant
- Is limited in duration as appropriate to the occupation for which the participant is being trained

What is the purpose of OJT?

- We utilize the OJT program to bridge the gap between the low skill and advanced skill jobs to prepare the workforce for the global economy.
- The Mississippi Partnership has two OJT Service Providers:
 - Itawamba Community College serves 5 counties
 - Mississippi Department of Employment Security serves 22 counties.





Engagement with Economic Development



- The MS Partnership provides valuable assistance to its economic and community development partners since WIA was enacted and plays a primary role as the region continues to grow and develop.



- We strive to be creative, innovative, and proactive in regards to the provision of its services and understand the vital role of partnership.



- Our program is designed to present a comprehensive workforce package to our business clients. We believe that this approach is imperative to streamlining services.
- By approaching business with a representative who has knowledge in all of the various services offered through our one-stop system and associated partners, we are working to eliminate multiple contact points offering workforce programs.

- The MS Partnership has developed relationships with economic developers so that when they are working with existing businesses or new projects they can offer businesses a comprehensive workforce package that includes state and federal resources.



Economic Development Partners

- Mississippi Development Authority (MDA)
- Community Development Foundation (CDF)
- Golden Triangle Development LINK
- Marshall County Industrial Development Authority
- Three Rivers Planning and Development District
- The TAP Alliance
- The PUL Alliance
- The Commission on the Future of Northeast Mississippi
- DeSoto Economic Development Council
- The Mississippi Corridor Consortium

Successful economic development is a

TEAM EFFORT



The Mississippi Partnership plays a major role in projects throughout our area. Whether discussing new projects or retention/expansions of existing businesses we are at the table providing pertinent workforce information.

Letter of Intent

- A major component of our team involvement is our Letter of Intent.
- The purpose of the letter is to describe training and service commitments for a project. These commitments are intended to support hiring in the Mississippi Partnership while contributing to worker productivity.

The Mississippi Partnership

Local Workforce Investment Board

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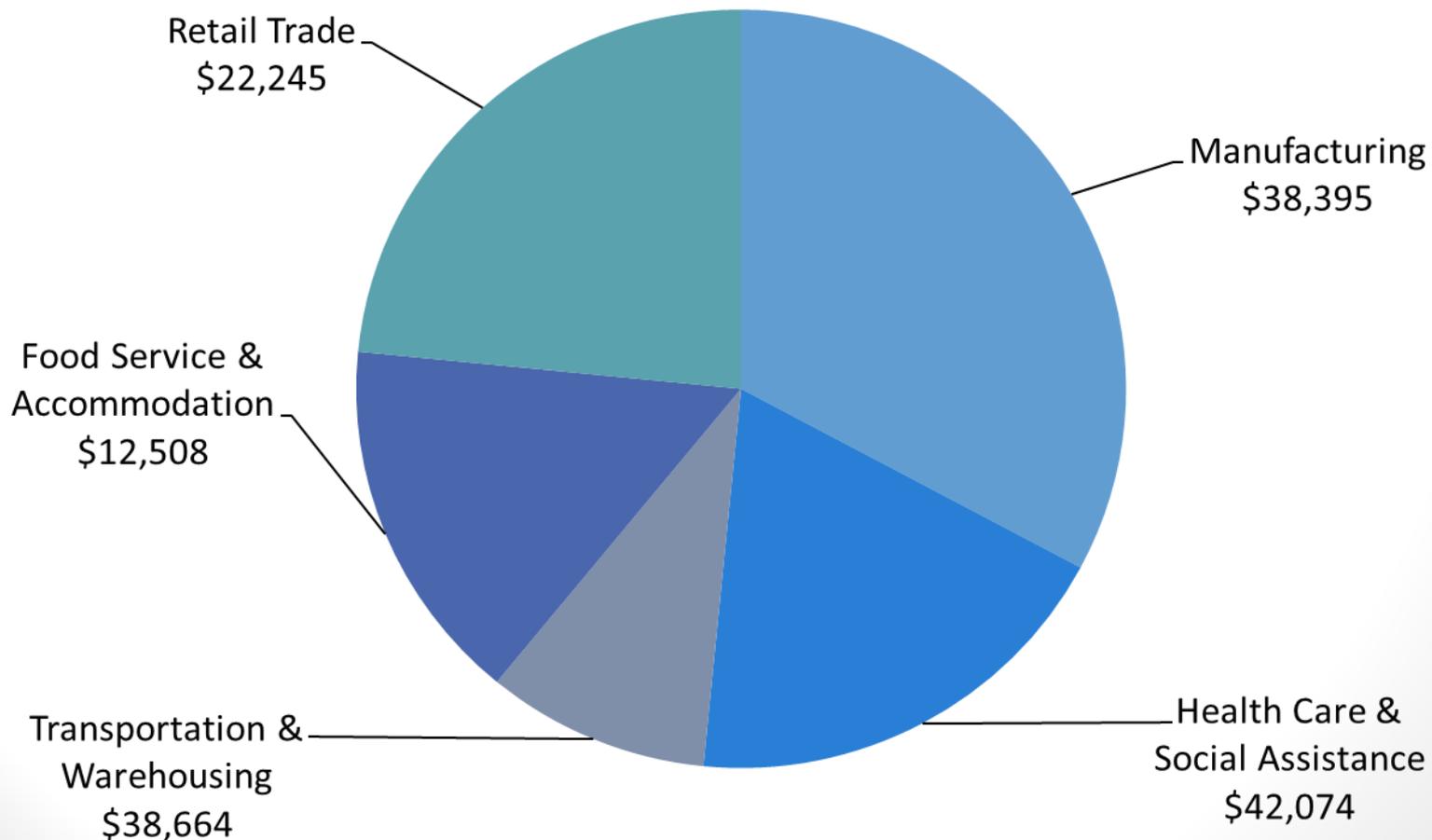
LETTER OF INTENT

1. **Purpose:** The purpose of this Letter of Intent is to describe training and service commitments for _____ in _____ County. These commitments are to support expansion and hiring in the Mississippi Partnership Local Workforce Investment Area and that will contribute to worker productivity.
2. **Description:**
 - a. On-the-Job Training (OJT) provided in accordance with Mississippi Partnership policies a procedures.
 - b. Recruitment provided in accordance with Mississippi Partnership policies and procedures.
 - c. Testing provided in accordance with Mississippi Partnership policies and procedures.
3. **Projected Cost:**
 - a. Activity: On-the-Job Training
Period: Program Year 2012 (July 1, 2012 through June 30, 2013)
Amount: \$50,000
 - b. Activity: On-the-Job Training
Period: Program Year 2013 (July 1, 2013 through June 30, 2014)
Amount: \$50,000
 - c. Activity: On-the-Job Training
Period: Program Year 2014 (July 1, 2014 through June 30, 2015)
Amount: \$50,000
4. **Terms and Conditions:**
 - a. The provision of the above listed services and training commitments to _____ for employee training in _____ County is contingent upon expansion and hiring of project participants in accordance with the projected hiring of _____ new employees, an investment of at least \$_____ million and subject to all the terms and conditions set forth herein. If expansion and hiring varies from these projections, the training and service commitments herein may vary accordingly.
 - b. Service and training commitments are also contingent upon the receipt of federal Workforce Investment Act (WIA) funds by the Mississippi Partnership Local Workforce Investment Area. If WIA funds are reduced or discontinued, the commitments in this Letter of Intent may be reduced or discontinued.
 - c. All services and training covered by this Letter must be provided in accordance with WIA rules and Mississippi Partnership Local Workforce Investment Area policies and procedures. Workers receiving services or training must be determined WIA eligible as appropriate.

Target Approach to Industry Sectors



The Mississippi Partnership Industry Sectors & Average Annual Wages



The Mississippi Partnership

Current and Expected Employment by Industrial Category

Industry	2011	2021	Change	Pct. Change	Earnings per Worker
Manufacturing	51,844	51,533	-311	-0.6	\$38,395
Retail Trade	36,641	41,148	4,507	12.3	\$22,245
Health Care & Social Assistance	28,931	38,391	9,460	32.7	\$42,074
Accommodation & Food Services	24,682	26,903	2,221	9	\$12,508
Transportation & Warehousing	14,671	17,664	2,993	20.4	\$38,664
Administrative Support	13,531	16,413	2,882	21.3	\$21,523
Educational Services	13,260	15,063	1,803	13.6	\$30,737
Government	11,002	11,178	176	1.6	\$34,459
Construction	9,920	13,223	3,303	33.3	\$37,308
Wholesale Trade	8,141	9,248	1,107	13.6	\$41,147
Finance & Insurance	6,474	7,050	576	8.9	\$42,662
Professional, Scientific, & Technical Services	6,110	7,864	1,754	28.7	\$43,866
Other Services	5,139	5,833	694	13.5	\$28,450
Real Estate	2,432	2,777	345	14.2	\$27,600
Information	2,343	2,465	122	5.2	\$38,702
Agriculture	2,122	2,046	-76	-3.6	\$24,448
Arts, Entertainment, & Recreation	2,050	2,415	365	17.8	\$19,081
Management of Companies & Enterprises	1,749	1,845	96	5.5	\$59,510
Utilities	1,544	1,444	-100	-6.5	\$53,906
Mining	757	786	29	3.8	\$72,636
Total	243,343	275,289	31,946	13.10%	\$36,496

- Although the manufacturing industry is the largest employer in the area, it is expected to remain relatively stable over the next decade.
- The implication here is that manufacturing is now requiring a highly-productive workforce rather than relying on low-skill, low-wage labor.
- In this regard, it will continue to be a predominant economic engine statewide and in the Mississippi Partnership area.



- Our economy is bigger than it was before the start of the Great Recession. Corporate profits are back. Business investment in hardware and software is back higher than it's ever been. What's not back is the jobs.
- The percentage of Americans with jobs is at a 20-year low.
- Annual investment by U.S. manufacturers in new technology has increased almost 30 percent since the recession ended, and research institutions and robotics companies, funded by venture capital, are constantly searching for innovations .



Source: 60 Minutes: *Are Robot's Hurting Job Growth?*

The Mississippi Partnership's Allocation and Focus on OJT

The Mississippi Partnership Local Workforce Board

- The Mississippi Partnership Local Workforce Investment Board members guide the development of our program and identify for action the needs of the businesses in our area. The Board structure includes:
 - 32 Business Leaders
 - 6 Education Representatives
 - 5 Economic Developers
 - 5 Community Based Representatives
 - 2 Labor Representatives
 - 11 Partners Representatives (such as Veteran, HUD, ES, UI)
- Through close contact with our local economic developers, planning and development districts, and community college partners we are able to discuss the current business climate in our region and to learn what the needs are of our local businesses.

Training Allocations

- The MS Partnership Board has a policy that 50% of the allocation be allocated for training. Of that 50% allocated for training 80% is allocated for OJT and 20% is allocated for ITAs.

OJT Allocations by Program Year			
Program Year	Allocated	Expended	% Expended
2008	\$2,682,000	\$2,962,880	110.47%
2009	\$2,480,000	\$2,323,607	93.69%
2009 (ARRA Funds)	\$1,670,000	\$1,762,893	105.56%
2010	\$1,930,000	\$1,893,808	98.12%
2011	\$1,625,000	\$1,621,959	99.81%
2012	\$1,850,000	NA	NA

Innovative
Programs Offered
by The Mississippi
Partnership

C2C



COUNSELING TO CAREER YOUTH PROGRAMS

- Program is for WIA eligible out-of-school youth ages 14-21
- The goals of this program are to:
 - ✓ Increase the youth's basic skills
 - ✓ Assist the youth with receiving his/her GED, if applicable
 - ✓ Teach the youth Work Ethics
 - ✓ Provide the youth with paid work experience after completing Work Ethics training
 - ✓ Transition the youth into a job, college, advanced training, or the military

Internship Program

- Provides meaningful work experience that helps the individual to explore career opportunities or gain meaningful work experience, while providing the employer with a qualified employee.
- The employer must be able to:
 - ✓ Provide a safe workplace
 - ✓ Supervise appropriately
 - ✓ Maintain an open line of communication between the employer, the adult intern, and the WIN Job Center staff
 - ✓ Provide feedback and evaluations of the adult's work performance



Individual Training Account (ITA)

- ITAs are used by individuals to purchase approved training programs, provided by "eligible training providers".
- ITAs are typically used to purchase training in the areas of Nursing, Truck Driving, Tool & Die.
- Most of the training is provided by local community colleges.
- ITAs are limited in amount and duration based on the type of training the individual receives.



Are current programs meeting employer needs?

- Too many regulations that are a barrier to success
- Declining Resources
- Out dated programs
- Not sector specific
- Using a scatter gun approach



What we are doing to meet the needs of workers and employers

- Listening



- Thinking

- Not scared to rock the boat

- Proposing innovative ideas

- Seeking waivers from DOL to explore those ideas



Future Considerations



- Voucher Program that will modernize OJT and ITA to better suit the needs of individuals and businesses.
- Possible creation of an Industry Advisory Council that will participate in the development of new ideas and programs.

How to reach us

THE MISSISSIPPI PARTNERSHIP

THREE RIVERS PDD

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