

Appendix J Hiring and Training Plan

The primary goal of any CDBG-ED funded economic development activity is to increase year-round and permanent job opportunities for local residents, particularly persons of low and moderate-income (LMI).

A "low and moderate-income person" is defined as a member of a low and moderate-income family or individual in a household. The total income and size of the family, not the individual's income, determine whether an individual is considered to be LMI. "Family" is considered to be husband, wife and dependents, such as the IRS determination for income tax purposes.

Applicants must provide a Hiring and Training Plan to ensure recruitment, hiring, and training of local workers, particularly those of low and moderate-income. In the event of funding award, the business's commitment to the Hiring and Training Plan will be considered binding. A final hiring plan will be incorporated in the funding agreement and the contract between the local government and the MDOC. Applicants may use the template provided at the end of this appendix.

At a minimum, the Hiring and Training Plan must include the following:

1. A breakdown of jobs to be created or retained, including the number and type of jobs that are full-time, part-time, skilled, semiskilled, or unskilled positions, including the job titles and descriptions, and the rates of compensation. For applications proposing positions involving less than full-time employment, an estimate of the number of hours to be worked each week or the number of months to be worked each year for each position must be included.
2. A discussion of the actions to be taken to ensure that the positions created will be filled by LMI persons.
3. A timetable for creating the jobs, the total number of persons, and number of LMI persons to be hired.
4. An assurance that the business will comply with the equal opportunity and nondiscrimination laws.
5. Procedures for outreach, recruitment, screening, selection, training, and placement of workers that will ensure maximum access for local residents, particularly persons of low and moderate-income.
6. A description of the training curriculum and resources, if applicable.
7. Written commitments from any agencies or organizations participating in the implementation of the hiring plan (e.g., Job Service, HRDC, etc.).
8. A written commitment from the assisted business to comply with the hiring plan.

The assistance agreement and/or loan agreement between the grantee and the assisted business will contain conditions regarding the hiring of LMI persons. The assisted business must show substantial compliance with the hiring and training plan and a "good faith" effort toward accomplishing the hiring goals set out in the assistance agreement before the project can be closed out. If the business does not meet its LMI hiring goals, it will be asked to document its hiring and training methods and provide rationale for not hiring the agreed upon number of LMI persons. Businesses that do not provide adequate rationale for not hiring the agreed upon number of LMI persons may face payback of all CDBG-ED awarded funds.

Hiring goals should be reasonable and justified by the financial statements and projections. *Claims for the number of jobs to be created or retained should be realistic and not inflated or too optimistic.* The business must be able to

provide documentation to show how the number of anticipated jobs to be created or retained was obtained.

HIRING AND TRAINING PLANS FOR CUSTOMIZED TRAINING OF EMPLOYEES

Applicants must provide a Customized Training Plan to ensure recruitment, hiring, and training of local workers, particularly those of low and moderate-income. In the event of funding award, the applicant's commitment to the Hiring and Training Plan will be considered binding. A final hiring plan will be incorporated in the grant agreement and the contract between the local government and the MDOC.

Applicants must include the information under Hiring and Training Plan, (above) in addition to responding to the evaluation criteria listed below:

1. Describe the kind of training that will be provided to the employees. Training should be provided to newly hired persons identified for an upgrade in skills. *(These persons do not have to be on the payroll at the time of application to the MDOC; but must be on the payroll prior to training.)* Types of training and individuals to receive training must be clearly outlined in the customized training plan. Changes to the plan must be approved by the Department in the event overall training needs change.
2. Estimate the number of positions and the date the job openings will be available. Job openings must equal the number of persons to be trained. Commerce will not provide funds for training more people than there are jobs available. Only employees working full time, at least 40 hours per week, at the end of the training period are eligible for reimbursement of training costs.
3. Explain how many employees are expected to receive training out of those listed on the hiring and training plan. The proportion of CDBG-ED funds used for the training project must be in proportion to the total number of individuals assisted who are from LMI households. At least 51% of those trained using MDOC funds must meet the HUD low to moderate-income (LMI) criteria. Incomes for all persons hired by the company must be verified at the time of hire through the local Job Service or a local contractor.
4. Describe the method of training or explain how the training will be accomplished and by whom. Will the training be provided on-site by the company or a contractor, provided out-of-state, or provided by an educational institution?
5. For training funded with this grant, describe what will be the duration of the training period. When is the training period expected to begin and end? NOTE: The training period for which CDBG-ED funds are used cannot extend beyond the period of one year.
6. Explain what the company expects to accomplish at the end of the training period.

Explain and provide a budget, which includes the overall costs of the training, including the portion to be paid by CDBG-ED funding. At the end of the training period, employees must be paid a compensation package in salary and benefits that meets at least the lower of either the county's average hourly wage, or the State's average hourly wage. Average wage rates are determined by the Montana Department of Labor. The definition of what constitutes adequate benefits is subject to evaluation by MDOC. Local governments may set a higher minimum. The Department may consider projects that involve lower compensation packages only in situations where there is a significant positive impact overall on the local economy and strong community support is documented. The training period shall not exceed 12 months per individual.

Please note that businesses are not eligible to receive reimbursement from the MDOC for an employee's training costs from more than one public finance program for the same training. In addition, if a business trains an employee, collects eligible training costs from the MDOC for that employee, and then the trained employee resigns from his/her employ, the business may not require that employee to reimburse the business for the training costs already paid for by the MDOC.

- a. List the starting wage and the wage to be paid after training for each position.
- b. List the job benefits to be paid and explain when benefits will begin.
- c. List any payments to instructors and/or contractors, if any.
- d. List and justify travel and per diem costs, if any.
- e. If CDBG-ED funds will be used for childcare or transportation costs, provide a description.
- f. Describe the company's contribution and commitment to the training program. For example, is the company contributing cash, or in-kind facilities or equipment? If outside funds or resources are being provided as a contribution, please submit a written commitment from these sources.

At the time of application, the company may be required to:

- g. Provide a signed certification that in the event the company ceases operation within the MDOC contract period, which is usually 24 months, the company will reimburse the local government the full amount of the MDOC labor training grant; and
- h. Provide a signed assurance that if the employees to be trained with MDOC funds are not paid at least a compensation package in salary and benefits that meets at least the lower of either, the county's average hourly wage, or the State's average hourly wage, MDOC training funds will be recaptured by the local government; and
- i. Provide quarterly reports to the local government and the MDOC that document the higher wages paid after training during the contract period.

Please Note: Businesses may not be reimbursed for training expenses until a trainee has completed his/her required training and is making the minimum compensation package. Funds will not be advanced for training purposes except under exceptional circumstances.

The assurances must be signed by the person in the company who has been assigned the duties and responsibilities for training, and who will be responsible for the overall success of the program.

Sample Hiring and Training Plan

In consideration of the financial assistance provided by (Name of Local Government) and the Community Development Block Grant – Economic Development (CDBG-ED) Program through the Revolving Loan Fund (RLF) administered by the (Name of Local Development Organization), (Name of Assisted Business) agrees to participate in a hiring and training plan that is an integral part of the Loan Agreement. The business will be responsible for implementing the plan and will be assisted by the Montana Job Service and (Name of Local Development Organization).

1. **LOW AND MODERATE-INCOME BENEFIT:** As a result of the loan assistance provided by the Montana CDBG-ED Program, the business will create (Number) full-time equivalent jobs by the end of the second year of the project. The business will make all job openings available to low and moderate-income persons, and will use the most recent low and moderate-income guidelines provided by the Montana Department of Commerce to determine eligibility for this status. The business will hire at least (Number) low and moderate-income persons during the two-year duration of the project.
2. **OVERALL EMPLOYMENT:** The business's place of operation will be located at (Address) and operations at that facility will employ a total of (Number) persons by the end of the second year of the project.

3. **HIRING AND TRAINING PRACTICES:** A personnel coordinating committee will be formed that will include representatives from the Montana Job Service, (Name of Local Development Organization, Name of Assisted Business, or Other Entity, i.e. District HRDC). The committee will assess training needs, develop application and referral procedures, and ensure that hiring practices conform to requirements of Title VI of the Civil Rights Act of 1964, Section 109 of the Housing and Community Development Act of 1974, the Age Discrimination Act of 1974, and the Americans with Disabilities Act.

The committee will establish coordination of services that benefit low and moderate- income persons including necessary skills, training, employment counseling, job retention skills, and supportive services when appropriate through linkages with job programs operated by Montana Job Service and (Other Resources).

In all of its hiring practices, the business will abide by the provisions of Title VI of the Civil Rights Act of 1964, which states that no person may, on the grounds, of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.

The business will also comply with Section 109 of the Housing and Community Development Act of 1974, which states that:

“No persons in the U.S. may, on the grounds of race, color, national origin, or sex be excluded from participation in, be denied the benefit of, or be subjected to discrimination under any program or activity funded in whole or in part with funds made available under this title. Any prohibition against discrimination on the basis of age under the Age Discrimination Act of 1974 or with respect to an otherwise qualified handicapped individual as provided in Section 504 of the Rehabilitation Act of 1973 will also apply to such program or activity.”

This Hiring and Training Plan contains the following exhibits:

Attachment A – List of jobs to be created or retained, including the percentage of full-time, skilled, semiskilled, or unskilled, job titles, rates of compensation;

Attachment B – Timetable for creating the jobs, total number of persons to be hired including number of LMI to be hired;

Attachment C – Procedures for outreach, recruitment, screening, selection, training and placement of workers - particularly LMI workers; and description of training curriculum and resources.

4. **REPORTS AND RECORD KEEPING:** (Name of Assisted Business) will ask each applicant to complete an income survey form and ethnicity/racial category form, so that the designated representatives of the (Name of Local Government) and Name of Local Development Organization), can determine the low and moderate-income status and ethnicity/racial category of the business's employees at the time of hire. Employees will be given race and ethnicity categories form to complete for data collection to be reported to the CDBG-ED program and HUD. In addition to this documentation, the (Name of Local Government Job Service) will maintain an applicant pool for the business, with special codes assigned to applicants interested in working at the business. Before referral to the business, all applicants will be screened for income eligibility for job training assistance, tax credit incentives, and CDBG-ED low and moderate-income status. The business will provide a list of its employees to the (Name of Local Government)'s designated representative no less than every three (3) months during the two-year duration of the project.
5. **ACCEPTANCE:** (Name of Assisted Business) hereby agrees to abide by the hiring and training provisions described herein.

Name of Business Owner
Name of Business

Date

Chief Elected Official
Name of Local Government

Date

Local Development Organization Director
Name of Local Development Organization

Date

