



CEJA POLICY: STIPENDS AND INCENTIVES

VERSION NUMBER: CEJA 03-PL-24

EFFECTIVE DATE: NOVEMBER 4, 2024 **LAST UPDATE:** N/A

I. ISSUANCES AFFECTED

References:

Climate and Equitable Jobs Act (CEJA), Public Act 102-0662
Climate and Equitable Jobs Act: Administrative Rule
Climate Works Pre-apprenticeship Program Manual (Chapters 1, 4, 6)
Clean Jobs Workforce Network Hubs Program Manual (Chapters 1, 4, 6)

Rescissions:

None

II. POLICY

1. CEJA provides stipends and incentives to participants accepted into the CEJA Climate Works Pre-apprenticeship Program and the CEJA Workforce Network Hubs Program. This policy shall be implemented per the Climate and Equitable Jobs Act (CEJA) and the guidance in the CEJA Climate Works Program Manual and the CEJA Workforce Network Hubs Program Manual. This document represents guidance identified from the program manual chapters listed under I. References above.
2. Definitions
This section differentiates between the two (2) workforce development participant payment types, stipend and incentive.
 - a. A **stipend** is an attendance-based payment made to a participant at regular intervals. A stipend is not legally considered a wage. Stipends are payments made to a trainee or learner (referenced as a participant in the Program Manual) for living expenses. They are designed to ensure that participants maintain financial solvency throughout the program. The goal of a stipend is to help participants stay financially solvent during the pre-apprenticeship period and to encourage retention.
 - b. An **incentive** is an additional payment made to a participant above and beyond the stipend. The payment becomes available for disbursement when a participant achieves a certain milestone or reaches a specific predetermined goal. An incentive is not legally considered a wage. An incentive aims to motivate participants to reach programmatic milestones or achieve a goal during their participation in the training program.

3. Stipends

- a. Grantees **must** provide **stipends** to all participants enrolled in training.
- b. Grantees and subgrantees, based on the contractual arrangement, may be accountable for the participant stipend payment.
- c. The Climate and Equitable Jobs Act (CEJA) Workforce program grantees are listed under I. References above must pay a stipend to all program participants who meet the eligibility criteria.
- d. Stipends can only be provided to individuals actively enrolled in the Climate Works Pre-apprenticeship Training Program and the Clean Jobs Workforce Network Hubs Program.
- e. Stipend payments cover living expenses and are designed to help participants maintain financial solvency throughout their program tenure.
- f. Stipends are based on attendance per instructional hour.
- g. Grantees must pay program participants \$13 per instructional hour they attend.
 - 1) Instructional hours are training time spent in a classroom, construction lab, or worksite practicum.

Note: Instructional hours do NOT include barrier reduction service needs, student support services, transition services, or follow-up services.
 - 2) If a participant misses an hour of class, their stipend will be reduced by \$13.
 - 3) Tardiness at the start of each scheduled day, late return from breaks, or early departures may result in stipend reductions.
- h. Stipends cannot be paid for asynchronous instruction.
- i. Program participants may receive their stipend either weekly or biweekly.

Note: monthly payments are not allowed.
- j. The stipend is **not** a wage. A wage is a payment made by an employer to an employee and is thus subject to certain taxes and withholdings.
- k. Stipends will discontinue after completion of the training component of the program.

4. Incentives

- a. Grantees **may** offer **incentives** to enrolled program participants.
- b. Grantees and subgrantees, based on the contractual arrangement, may be accountable for the participant incentive payment.
- c. All Climate and Equitable Jobs Act (CEJA) Workforce program grantees listed under I. References above may pay program participants an incentive for achieving a program target.
- d. Incentive payments are designed to motivate participants to reach certain programmatic milestones and achieve specific goals throughout their tenure in the program.
 - 1) Incentives are optional, not a requirement. They are provided at the discretion of the grantees.
 - 2) Incentives must be tied to the program's milestones or goals outlined in its workplan.
 - 3) Incentives must be incorporated into the grantee's approved budget.
 - 4) Incentives must be specific and measurable.

Note: Examples may include completing tasks relevant to orientation, attaining a certification, earning a particular grade, securing employment, or maintaining job retention for a specified period.
 - 5) Incentives must be applied to all program participants equally.
 - 6) An incentive is **not** a wage. A wage is a payment made by an employer to an employee and is thus subject to certain taxes and withholdings.

- 7) Incentives may continue beyond the completion of the training program and up to one year before exiting the program.
5. Grantee Written Policy
 - a. Each grantee should have a policy and procedure that addresses stipends and incentives.
 - b. The *policy* must outline each purpose, offer relevant definitions, and provide high-level details regarding payment disbursement.
 - c. The procedure is designed to provide logistical details on how the amount of each stipend or incentive payment is determined (e.g., hours of instructions x \$13 or incentive amount for program completion), how each will be provided to participants, how they are documented, and how participant amounts are reduced due to low attendance or performance.
 - d. All participants must receive the policy and procedures at application or during orientation to understand how their stipends and incentives will be earned and disbursed.
 6. Participant Counseling
 - a. Participants must be counseled to report stipend income as “scholarship and grants” on their tax returns so that it is not taxed as self-employment income.
 - 1) Grantees must ensure participants understand that taxes will not be withheld, so they **must** budget for an additional tax burden.
 - b. Grantees must provide the requisite tax documents to participants by January 31 of the tax year following the tax year in which the stipend payments are made.

Note: Stipend payments can be tracked in the CEJA Reporting System. The tax document can be uploaded to the customer’s profile.
 - c. Grantees must NOT use wage language or wage equivalents in their program’s outreach and recruitment materials, policies, or discussions with participants related to stipends.

III. IMPLEMENTATION

1. Administrative Procedures
 - a. Grantees shall establish and utilize appropriate checks and balances necessary to guarantee the integrity of the stipends and incentives payments.
 - b. Grantees shall ensure systems are in place for reviewing, approving, and paying stipends and incentives in line with the Uniform Administrative Guidelines.
2. Separation of Duties
 - a. Staff duties for dispersing payments must be separated so that no one individual has complete authority or control over an entire financial transaction.
 - b. Participant and financial records regarding payments must be available for monitoring.
3. Procedural Considerations
 - a. Grantees must address the following questions when developing and implementing the policies and procedures for stipends and incentives:
 - 1) How will funds be disbursed (i.e., direct deposit, check)?
 - 2) When will funds be disbursed?

Note: Grantees must have a process to disburse stipends and incentives regularly.
 - 3) Where will detailed records be stored?

Note: Efforts should be made to minimize administrative burdens.

- 4) What will the process be for collecting feedback from recipients to improve the program and address any issues?

IV. INQUIRIES

Inquiries should be directed to the appropriate OET CEJA Regional Administrator, Larry Dawson at Larry.Dawson@illinois.gov for the Northern Region, Nate Keener at Nate.Keener@illinois.gov for the Central Region, or Michelle Cerutti at Michelle.Cerutti@illinois.gov for the Southern Region.

V. ATTACHMENTS

Stipend Agreement Example
Stipend Payment Form Example
Stipend Procedure Template

Sincerely,

A handwritten signature in black ink, appearing to read "Julio Rodriguez", with a stylized flourish at the end.

Julio Rodriguez, Deputy Director
Office of Employment and Training

ABC Organization Stipend and Incentive Procedure Example

For the Climate and Equitable Jobs Act (CEJA) Workforce Program at ABC Organization, participants are expected to attend three (3) days per week for five (5) hours each day. This curriculum will last 11 weeks and contains ten (10) training modules, totaling 169 training hours.

A stipend is a fixed, regular payment made to participants. **It is not a wage but is intended to cover incidental costs incurred while attending the training program.** They are based on attendance during all training activities associated with this program.

Stipend amounts are ***\$13 per instructional hour*** and paid on actual hours of attendance. Each training day, participants can earn up to \$65 (\$13/training hour) per training day, \$195 per training week, and \$2,197 in total. However, this amount is reduced based on missing instructions or failing post-assessments.

Additionally, participants may earn incentives for completing certain milestones during the training program. The incentives are performance-based and awarded when the participant meets or exceeds the milestones.

Attendance

Participants are expected to attend every training day. Attendance will be tracked to determine stipend payments. Only verified attendance hours are eligible for the stipend payment. A participant must attend at least 80% of the training sessions to complete the program.

If participants cannot attend due to illness or unforeseen circumstances, hours can be made up on a different date to receive the stipend payment. For example, if participants missed 2.5 hours and did not make those hours up, their stipend would be reduced by \$32.50. ($\$13 \text{ per hour} \times 2.5 \text{ hours} = \32.50)

Post-Assessments

Participants are expected to pass a post-assessment for each training module. To pass a post-assessment, participants must receive 70% or above. If a participant fails the post-assessment, their stipend will be reduced by \$15 for that training day.

For example, a participant attended the full day of courses and earned \$65 for that training day; however, they scored 30% on their post-assessment. This means they will only earn \$50 for that training day.

Payment Information

Stipends are set at \$13 per training hour and given to all participants, regardless of need. These will be paid based on the number of instruction hours attended during the previous week(s) via direct deposit every two (2) weeks.

Incentives will be paid after the training program. To receive an incentive on top of the stipend payment, a participant must meet the following milestones:

- Perfect attendance (no make-up sessions occurred).
- Completing the program with an 85% or above.
- Obtaining the credential.

ABC Organization will work with the instructors to review rosters and post-assessment scores to determine the stipend amount. Participants will receive a report outlining the stipend amount, adjustments factored into the payment, and any incentive earned.

Stipend Payment Form Example

Organization: ABC Organization

Student Name: Jane Doe

Stipend Pay Period: 1/9/2024 -1/20/2024

Stipend Rate: \$13 per instructional hour

Post-Assessment Adjustment: \$15 subtracted from Attendance Stipend Amount

Instruction Date	Instructional Hours Attended	Attendance Stipend Amount	Post-Assessment (Pass/Fail)	Post-Assessment Adjustment	Stipend Payment
1/9/2024	5	\$65	n/a	\$0	\$65
1/11/2024	5	\$65	n/a	\$0	\$65
1/13/2024	5	\$65	Pass	\$0	\$65
1/16/2024	3	\$39	n/a	\$0	\$39
1/18/2024	4	\$52	n/a	\$0	\$52
1/20/2024	5	\$65	Fail	(\$15)	\$50
				Total	\$336

Jane could have earned \$390 during this stipend pay period if she had attended the total 30 hours of instruction and passed both post-assessments.

However, because she missed hours on 1/16 and 1/18, she was not paid the total amount for attendance. Then, on 1/20, she failed her post-assessment, which reduced her stipend payment by \$15.

If Jane makes up the three (3) hours she missed on 1/16 and 1/18, ABC Organization will add the stipend associated with those hours to her final payment. Making up all three hours would result in an additional \$39 on her final stipend payment.

She will be expected to make up the post-assessment; however, even if she passes, she cannot earn back the \$15 post-assessment adjustment.

[INSERT GRANTEE LOGO]

[GRANTEE NAME] Stipend and Incentive Procedure Template

For the Climate and Equitable Jobs Act (CEJA) Workforce Program at [GRANTEE NAME], participants are expected to attend [#] days per week for [#] hours each day. This curriculum will last [#] weeks and contains [#] training modules that last for [#] training hours.

A stipend is a fixed, regular payment made to participants. **It is not a wage but is intended to cover incidental costs incurred while attending the training program.** They are based on attendance during all training activities associated with this program.

Stipend amounts are **\$13 per instructional hour** and paid on actual hours of attendance. Each training day, participants can earn up to \$[PER DAY] (\$[AMOUNT]/training hour) per training day, \$[AMOUNT] per training week, and \$[AMOUNT] total. However, this amount is reduced based on missing training hours or failing post-assessments.

[Add if the grantee is providing incentives on top of the stipends]

Additionally, participants may earn incentives for completing certain milestones during the training program. The incentives are performance-based and awarded when the participant meets or exceeds the objectives.

Attendance

Participants are expected to attend every training day. Attendance will be tracked to determine stipend payments. Only verified attendance hours are eligible for the stipend payment. A participant must attend at least 80% of the training sessions to complete the program.

If participants cannot attend due to illness or unforeseen circumstances, hours can be made up on a different date to receive the stipend payment. For example, if a participant missed 2.5 hours and did not make those hours up, their stipend would be reduced by \$[STIPEND AMOUNT REDUCTION]. (\$[STIPEND AMOUNT] per hour x 2.5 hours = \$[STIPEND AMOUNT REDUCTION])

Post-Assessments

Participants are expected to pass a post-assessment for each training module. To pass a post-assessment, participants must receive 70% or above. If a participant fails the post-assessment, their stipend for that training day will be reduced by \$[REDUCTION FOR FAILING POST ASSESSMENT].

For example, a participant attended the full day of courses and earned \$[PER DAY AMOUNT] for that training day. However, they scored 30% on their post-assessment. This means they will only earn \$[PER STIPEND AMOUNT MINUS AMOUNT STIPEND WILL BE REDUCED FOR FAILING POST ASSESSMENT] for that training day.

Payment Information

Stipends are set at \$13 per training hour and given to all participants, regardless of need. These will be paid to participants every [FREQUENCY] via [METHOD (Direct Deposit, check, etc.)] based on the number of instruction hours attended during the previous week(s)

Incentives will be paid [FREQUENCY]. To receive an incentive on top of the stipend payment, a participant must meet the following milestones:

- [insert milestones]

[GRANTEE NAME] will work with the instructors to review rosters and post-assessment scores to determine the stipend amount to be paid. Participants will receive a report outlining the stipend amount, adjustments factored into the payment, and any incentive earned.