



Monterey County Workforce Investment Board (WIB) LOCAL POLICY BULLETIN #2011-05

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TO: All Monterey County Providers of Workforce Investment Act (WIA) Title I Services

SUBJECT: On-the-Job Training (OJT) Policy

PURPOSE: The purpose of this policy is to provide guidance and criteria used in the development of and the administration of On-the-Job Training (OJT) contracts.

REFERENCE: WIA 101(31), WIA Final Rule, 20 CFR; Part 652, 663.700 through 663.720.

POLICY:

I. Overview of OJT

OJT is one strategy for individuals to receive training funded through the Workforce Investment Act (WIA). The term "on-the-job training" means training by an employer that is provided to a paid participant while engaged in productive work in a job that:

- Provides knowledge or skills essential to the full and adequate performance of the job;
- Provides reimbursement to the employer for the costs associated with training the OJT trainee, which are usually calculated at half the pay rate for the agreed-upon training period; and
- Is limited in duration as appropriate to the occupation for which the participant is being trained, taking into account the content of the training, the prior work experience of the participant, and the service strategy of the participant, as appropriate.

II. Length of Training

An OJT contract must be limited to the period of time required for a participant to become proficient in the job for which the training is designed. In determining the appropriate length of the contract, consideration should be given to the skill requirements of the job, the academic and occupational skill level of the participant, prior work experience, and the participant's individual employment plan or service strategy. The training plan must describe a timeline for completion of the training.

III. Training Reimbursement

Employers providing an OJT can receive reimbursement for a portion of the hourly pay rate – typically up to 50%, which is considered payment for extraordinary costs to the employer associated with training a new employee. This encourages the hiring of long-term unemployed dislocated workers and helps offset the cost of training.

Under certain funding circumstances, employers providing an OJT may receive reimbursement for a portion of the hourly pay rate at a greater percentage based on the specific funding allocation. This is in alignment with the State Plan and Department of Labor (DOL) waivers which allow increased flexibility based on additional funding allocations and grants awarded through the State and DOL. The DOL waiver granted to California under WIA Section 101(31)(B) permits an increase in employer reimbursement for OJT's through a sliding scale (between 50% and up to 90%) based on the size of the business. Under this waiver, the following reimbursement amounts are permitted: (1) up to 90 percent for employers with 50 or fewer employees, (2) up to 75 percent for employers with 51 – 250 employees, and (3) up to 50 percent reimbursement for employers with more than 250 employees.

IV. Outreach Strategies

Outreach can be done directly or indirectly to both employers and job seekers. Outreach includes, but is not limited to: face-to-face contact, direct mail, press releases, involvement with the Chamber of Commerce and networking with other agencies.

V. Employer Pre-Screening for OJT

OJT is provided under an agreement with an employer in the public, private non-profit, or private sector. Prior to entering into an OJT agreement, pre-screening should be conducted



to ensure that the employer meets the minimum standards and can provide both training and long-term employment to an OJT trainee.

Prior to engaging an employer in an OJT, local service providers must ensure:

- Worker Adjustment & Retraining Notification Act (WARN) notices have previously been filed;
- The company has not exhibited a pattern of failing to provide OJT trainees with continued long-term employment;
- Company verifies WIA funds will **not** be used to relocate operations in whole or in part;
- Company has operated at its current location for at least 120 days. If less than 120 days and the business relocated from another area in the U.S and individual(s), employees were not laid off at the previous location as a result of the relocation;
- Company commits to providing an opportunity for long-term employment for successful OJT trainees, and is verified and documented in the participant case file;
- If the company has a collective bargaining agreement, the OJT contract does not impair existing contracts for services or collective bargaining agreements. If, as a program authorized under WIA, the OJT would be inconsistent with a collective bargaining agreement, written concurrence from the appropriate labor organization and employer is obtained before the OJT activity begins;
- OJT funds will not be used to directly or indirectly assist, promote or deter union organizing;
- The OJT will not result in the full or partial displacement of employed workers;
- Trainee wages to be paid are at least equal to:
 - ✓ \$10.00 per hour
 - ✓ Other employees in the same occupation with similar experience
- Trainees will be provided the same workers' compensation, health insurance, unemployment insurance, retirement benefits, etc. as regular, non-OJT employees;
- The employer will comply with the non-discrimination and equal opportunity provisions of WIA and its regulations;
- WorkKeys® (Applied Math, Locating Information, and Reading for Information) assessments are administered to participants prior to the start of any WIA Title I funded training activity. Service Providers must implement a plan to schedule and proctor participants to complete the WorkKeys® assessments prior to training. Authorized WorkKeys® assessments and Worldwide Interactive Network (WIN) remedial training may be provided by appointment through partners of the Central Coast Career Readiness Consortium by contacting the Monterey County Business Council at (831) 883-9443, the America's Job Center of California in Monterey County at (831) 796-3600, or WIB staff at (831) 796-6434. Service Providers are encouraged to work with the Central Coast Career Readiness Consortium to access their WorkKeys® assessment and WIN training sites to potentially allow for greater convenience for participants;
- To coordinate and refer clients to the America's Job Center of California or the Monterey County Business Council to access the WIN self-paced remediation training for participants that do not meet their desired score to match a profile occupation. Service Providers must work with their participants to monitor their progress on WIN to ensure their success and provide assistance when needed;
- To confidentially discuss the WorkKeys® test results with the participant only to determine if they have reached their desired score;
- To enter the WorkKeys® assessment scores into the Virtual One Stop (VOS) case management system once they are received. VOS will be used to match WorkKeys® assessment skill levels with Occupational Information Network (O*NET) job profiles to help individuals identify appropriate occupations and support transferable skills; and
- To provide the WorkKeys® assessment performance updates to the WIB's Oversight Committee, Youth Council and other subcommittees of the WIB, as requested on a bi-monthly basis.

VI. OJT Trainee Requirements

Only those individuals who meet the eligibility requirements for intensive services (*Reference WIA Eligibility Technical Assistance Guide, WIB Policy 2011-03 Tiered Service Levels – Core, Intensive and Training Services and WIB Policy 2011-01 Lower Living Standard Income Level and Poverty Guidelines*), who have received an assessment and for whom an Individual Employment Plan (IEP) has been developed to include the results of the WorkKeys® testing, may be considered for OJT, as well as any type of training under WIA.



An individual referred to the America's Job Center of California in Monterey County by an employer may be considered for OJT with that employer only after the individual has met WIA eligibility requirements for the identified funding stream, received an assessment and for whom an IEP has been developed. The IEP must indicate an OJT is appropriate based upon the skill requirements of the occupation; the academic and occupational skill level of the participant; the participant's prior work history and experience; and the participant's level of commitment to program services and likeliness to succeed. The IEP documentation of a participant's appropriateness for OJT is required prior to employer selection.

A variety of assessment instruments are available to assist in the determination of participant/trainee suitability, to include the WorkKeys® Readiness Indicator and WorkKeys® assessments. The selection of appropriate assessment instruments is based upon the individual needs of the participant and training employer.

VII. Required Documents

To encourage the use of OJT by employers and job seekers, it is critical that the service providers keep paperwork to a minimum. However, there are several documents required to effectively implement an OJT including: OJT contracts, training plans (IEPs), invoicing and monitoring documentation. An OJT is considered a program cost under WIA and should be reported as such on financial reports.

A. OJT Contract Minimum Requirements

Contracts are the terms and conditions that the employer and OJT provider agree to provide for an OJT experience. At a minimum, an OJT contract must comply with the requirements of WIA rules and regulations including identifying the occupation, skills and competencies to be learned, and the length of time the training will be provided. Contracts should also include requirements specific to the state and local areas and the requirements specific to OJTs funded through other federal programs. An OJT contract is considered to be a legally binding agreement between the employer and service provider.

Local OJT providers must conduct an employer orientation with each employer and/or employer representative to discuss the contract provisions and training plans. OJT employers must be aware of the following:

- OJT participants must receive wages and fringe benefits equal to those similarly employed by the employer;
- The reimbursement mechanisms of an OJT are not a wage subsidy;
- It is expected that the participant will continue working after the payments to the employer end; and
- It is expected that participants who complete an OJT will continue to receive compensation and benefits commensurate with the job performance.

B. Training Plans

After determination of the occupation in which the participant will be trained, an OJT training plan must be developed to allow for the monitoring of agreed upon contract provisions and the progression of the established training program. The training plan becomes the work statement of the contract and should serve as a guide when delivering training. This plan will be a formal and written program of the structured job training that will provide participants with an orderly combination of instruction in work maturity skills, general employment competencies and occupationally specific skills that will enable the participant to work toward self-sufficiency. OJT providers can use O*NET and/or a company job description as a basis to begin listing skills or tasks. Skill descriptions should be comprehensive and ensure that individual tasks are both measurable and observable. All OJT Training Plans must include:

1. Trainee information - name & contact information of participant and Social Security #;
2. Employer information – name and contact information;
3. OJT information – start and end dates, wage rate, and reimbursement rates;
4. Occupational information – job title & description, O*NET code, and # of hours per week. O*NET should not be relied upon exclusively at the risk of overlooking the needs, skills, and abilities of the participant and the specific needs of the employer;
5. Job skills – skills necessary to perform the job and the trainee's skill level for each;
6. Training information - list of specific skills or tasks the employer agrees to provide to the participant, estimated training hours for each skill, and acknowledgement of skill obtained; and



7. Signatures - of trainee and date, of employer and date, and of OJT provider and date.

C. Invoicing

Payments to employers for an OJT shall be in compliance with WIA program guidelines, the California State Plan and Department of Labor (DOL) waivers which allow increased flexibility based on additional funding allocations and grants awarded through the State and DOL. The DOL waiver granted to California under WIA Section 101(31)(B) permits an increase in employer reimbursement for on-the-job training through a sliding scale (between 50% and up to 90%) based on the size of the business.

Payments to employers are in compensation for the “extraordinary costs” associated with training participants. Employers are not required to document these extraordinary costs associated with training of participants, which may include more intense supervision; abnormal wear on tools; down time; and lower rates of production.

Payment to employers should be managed by an invoice system that clearly documents the number of hours worked each day by the participant and rate of pay for the time period. Invoices must be signed by both the participant and the employer or only by the employer if accompanying documentation (timesheets/time cards) is signed by the participant and reconciled to the invoice. Also, payments to employers must be based on scheduled raises and regular pay increases, if they occur.

D. Other Terms & Conditions, WIA General Assurances and Certifications

All contacts and OJT employers must adhere to the Other Terms & Conditions, WIA General Assurances and Certifications as written by the Monterey County WIB.

E. Monitoring

Monitoring is the responsibility of both the state and the local area, though the duty may be assigned to another designated entity or individual. Monitoring at the local level will include oversight of the participant training and corresponding employer payroll records to ensure validity and propriety of the reimbursement amounts claimed, and that the training for which the contract is written is actually delivered. The on-site monitoring of the OJT must include documenting information received directly from the trainees, should capture the trainee supervisor’s perspective about how the training is progressing, and should include review of the employer payroll records. WIB staff will review training contracts of all local WIA service providers and subcontractors on a bi-yearly basis and will adjust the monitoring review, as needed.

VIII. Additional Resources

The **OJT Toolkit** (available at <https://ojttoolkit.workforce3one.org/>) has a variety of OJT resources, documents and samples to aid OJT providers in implementing their OJT policy and procedures. Visit this site to download customizable OJT documents to aid states and local areas in expanding the use of OJT.

For the purposes of administering OJT contracts under the **National Emergency Grant (NEG) OJT** grant, visit http://www.doleta.gov/layoff/OJT_Policy_QA.cfm for a list of OJT NEG program and policy information.

INQUIRIES: For questions or assistance related to this policy, please contact the Monterey County Workforce Investment Board staff at (831) 796-6434.

This policy is posted on the WIB website located at: www.montereycountywib.org/policies/