

ON-THE-JOB TRAINING (OJT) POLICY AND PROCEDURES

EXECUTIVE SUMMARY

Effective July 1, 2018, Monterey County Workforce Development Board staff (OJT PROGRAM staff) will administer all OJT contracts. WIOA Title 1 Service Providers will be required to follow the OJT Referral Process. This policy provides guidance and establishes procedures for the implementation of WIOA funded On-the-Job Training (OJT) opportunities for eligible Adult, Dislocated Worker and Youth program participants.

REFERENCES

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- WIOA Section 3
 - WIOA Section 134(c)(H)
 - WIOA Section 188(a)(2) and (3)
 - 20 CFR 680.700, 680.710, 680.720, 680.730 and 680.850
 - 20 CFR 683.260, 683.265, 683.270 and 683.275

BACKGROUND

On-the-Job Training (OJT) is a training option that provides Employers the opportunity to train new employees (Trainees) on the specific knowledge or skills essential to the full and adequate performance of the job. OJT opportunities are formed through a contractual agreement between the Employer and the WDB. The OJT PROGRAM provides the Employer with a partial wage reimbursement, typically up to 50 percent of the wage rate of the participant for the extraordinary costs of providing the training and supervision related to the training. However, Section 134(c) of WIOA authorizes local boards to reimburse employers up to a maximum of 75 percent of the wage rate of an OJT participant, after considering factors listed in 20 CFR 680.730 and this policy.

PROCEDURAL GUIDANCE

OJT is a hire-first program. The Trainee begins their OJT as a full-time employee of the company that has agreed to provide the on-site training and long-term employment upon completion of the OJT. The rate of pay, fringe benefits, periodic pay increases, and working conditions offered to the Trainee must be the same as similarly situated employees in similar positions with the same Employer and in accordance with Section 6(a)(1) of the Fair Labor Standards Act of 1938 (29.U.S.C. 206(a)) or the applicable state or local minimum wage laws.

OJT must be provided through a contract that provides a structured training opportunity for the OJT Trainee to gain the knowledge and skills to be competent in the job for which they are hired. The contract must be completed and signed by all parties before the OJT Trainee may begin OJT training. OJT may be sequenced with other WIOA program services such as work experience, classroom training or basic skills training.

All OJT Announcements will be made available to the WIOA Title 1 Service Provider's staff as soon as OJT opportunities become available.

Please note: completing the requirements for an OJT opportunity will not guarantee approval for OJT training. Each request for OJT will be reviewed and evaluated on a case-by-case basis.

On-The-Job Training Prerequisites and Documentation:

1. Customers must have a resume demonstrating that they have the experience and skill level to meet all of the requirements of the OJT Announcement.
2. Customers must have a WorkKeys Certificate at a level 3 or higher.
3. Customers must reside in the Monterey County WDB's Service Delivery Area.
4. Customers must have an initial career advising session and an IEP.
5. Case Managers must justify the OJT for the customer through comprehensive case notes.
6. Customers and Case Managers must both sign the OJT Customer Interest / Referral Form.
7. Case Managers must provide a copy of the OJT Announcement, the WorkKeys certificate, the customer's resume and the OJT Customer Interest / Referral Form to OJT PROGRAM staff at BSR-Team@co.monterey.ca.us.

WIOA Case Manager Responsibilities:

The WIOA Case Manager is responsible to do the following:

1. Ensure that the customer's experience and skill level match the requirements in the OJT Announcement. Customers MUST have the knowledge, skills, and abilities that an OJT Employer is requesting for the position.
2. Provide the customer with an initial career advising session.
3. Develop an IEP with the customer. The Training Plan for the OJT will be developed as part of the IEP.
4. Ensure that the customer has completed a WorkKeys assessment at level 3 or higher.
5. Provide comprehensive case notes in CalJOBS justifying the OJT for the customer.
6. Ensure that the customer resides in Monterey County WDB's Service Delivery Area.
7. The WIOA Case Manager MUST sign and date the OJT Customer Interest / Referral Form.
8. Forward by email the following documentation for review and approval by OJT PROGRAM staff:
 - a. OJT Customer Interest / Referral Form;
 - b. Customer Resume (to show relevance to the OJT position);
 - c. WorkKeys Certificate; and
 - d. OJT Announcement.

OJT Approval Process:

1. OJT PROGRAM staff will evaluate the documentation forwarded by the WIOA Case Manager and the customer's case notes to ensure that the customer meets all of the requirements on the OJT Announcement.
2. OJT PROGRAM staff will make an appointment with the customer for the initial interview and review of documents.
3. If the request is approved, follow-up appointments will be scheduled to review and discuss the OJT Plan.

Participant Eligibility

Customers must meet program eligibility requirements for a WIOA funding source, e.g., for WIOA Adult, Dislocated Worker or Youth formula funded programs. Candidates for an OJT position must have received a WorkKeys assessment at level 3 or higher, and must have an IEP showing the interest, aptitude, and skills to meet the requirements of an OJT Employer.

OJTs for Employed Workers

OJTs may be written for WIOA-eligible employed workers when:

- The employee is not earning a self-sufficient wage;
- All other requirements of this policy are met; and
- The OJT relates to the introduction of new technologies, introduction to new production or service procedures, upgrading to new jobs that require additional skills, or workplace literacy, (20 CFR. 680.710).

Employer Eligibility

The OJT Employer:

- Must have operated its business in the Local Area (Monterey County) for a minimum of 120 days and be current in unemployment insurance and workers' compensation taxes, penalties, and /or interest or related payment plan.
- Must be financially solvent to meet the OJT contract obligations through the end of the training and for the participant's 12-month follow up period, and must have adequate payroll record-keeping systems that track hours worked, gross pay, deductions and net pay.
- Must not have relocated within the last 120 days, where relocation resulted in the loss of employment at the prior location. (20 CFR 683.260)
- Shall not displace any currently employed worker or alter current workers' promotional opportunities, nor have terminated any regular employee or otherwise reduced the workforce in order to hire OJT Trainees. (20 CFR 683.270)
- Must not be involved in a labor dispute or have workers currently in a layoff status or have laid off workers over the past 120 days from the same or any substantially equivalent job. The period of 120 days may be waived if there are mitigating circumstances reviewed and approved by a WIOA Program Administrator.
- Must not impair existing contracts for services or collective bargaining agreements, and must gain written concurrence with the appropriate labor organization before the OJT can begin if the OJT agreement would be inconsistent with a collective bargaining agreement. (WIOA Sec.181 (a)(2)(B); additionally, the Employer must attest that the OJT agreement would not assist, promote or deter union organizing (20 CFR 680.850).

- Must not allow OJT Trainees to work on the construction, maintenance or operation of any facility that is used for sectarian activities or as a place of worship (WIOA Section 188 (a)(3)).
- Must not illegally discriminate in training or hiring practices because of race, color, sex, national origin, religion, disability, political beliefs or affiliations, or age (WIOA Sec. 188(a)(3)).
- Shall not have previously exhibited a pattern of failing to provide OJT Trainees with continued long-term employment. (20 CFR 680.700(b))

Employer Reimbursement Rates

The employer reimbursement rates of the regular wages earned for OJTs range from a minimum of 50 percent to a maximum of 75 percent. The reimbursement rate is based on the size of the employer as follows:

- A maximum of 50 percent for large employers (defined as having 100 or more employees);
- A maximum of 65 percent for medium size employers (defined as having 20-99 employees); and
- A maximum of 75 percent for small employers with a workforce of 1-19 employees.

Maximum Cost Per Participant

Subject to funding availability and the OJT Trainee's needs, OJT training costs are not to exceed \$5,000. Under special circumstances, training costs in excess of \$5,000 may be authorized by the WDB's Executive Director. Wages for OJT participants can be no less than \$14.00 per hour.

The OJT Contract

Every OJT opportunity will include a contract (agreement) with the OJT Employer and a Training Plan for the Trainee and requires a written, signed agreement between OJT PROGRAM staff and an authorized employer representative prior to the start of work. At a minimum, an OJT contract must comply with the requirements of Sections 194(1) and (4) and 101(44) of the WIOA and must include the occupation, skills and competencies to be learned and the length of time the training will be provided. Contract modifications must be in writing, signed and dated by all parties prior to the effective date of the modification. Verbal modifications are not valid. The OJT Contract will be placed in the customer's case file and the OJT Employer file, described below.

Training Plan (IEP) Elements

An OJT program is not intended for long-term, continued training within the occupation. An OJT contract must be limited to the period of time required for a participant to become proficient in the occupation for which the training is being provided. In determining the appropriate length of the contract, consideration should be given to the skill requirements of the occupation, the academic and occupational skill level of the participant, prior work experience, the participant's individual employment plan and local office budgets. Actual training hours will be negotiated between the employer and OJT PROGRAM staff. All determinations must be documented.

The Training Plan in the customer's IEP must include the following elements:

1. The occupation(s) for which training is to be provided.
2. The duration of the training.
3. The wage rate to be paid to the trainee.
4. The rate of reimbursement.
5. The maximum amount of the reimbursement.
6. A training outline that reflects the work skills required for the position.

The unit of measure for OJT is based on the number of hours in training over a fixed calendar period. The maximum number of hours for an OJT must not exceed 1,040 hours (six months).

Customer Case File

All documentation relative to the selection of a candidate for an OJT opportunity and the development and maintenance of the customer's OJT Training Plan should be included in the customer's hard and electronic case file. Participant files must be available to federal, state and local monitors for compliance review.

Employer Files

OJT Employers are required to keep an individual file for each OJT Employee which includes the Employer Pre-Screening Checklist verifying employer eligibility. Employer files must be available to federal, state and local monitors for compliance review.

OJT Monitoring

- Monitoring at the local, state and federal level will include the OJT PROGRAM staff's oversight of the OJT training and corresponding employer payroll records.
- On-site monitoring visits should be conducted by OJT PROGRAM staff shortly after the OJT Trainee begins work, with additional monthly visits scheduled at appropriate intervals (as determined by duration of OJT Training Plan).
- Effective monitoring also includes desk review of correspondence from the employer, including OJT reimbursement invoices and required documentation to support those invoices.
- OJT PROGRAM staff shall regularly review each OJT Trainee's progress toward meeting program and service strategy objectives, including the Trainee's acquisition of basic occupational skills and the adequacy of supportive services provided as related to OJT.
- Any deviations from the OJT contractual agreement should be dealt with immediately and documented promptly.

Exceptions

Any exceptions to this policy must be approved by the WDB's Executive Director and documented in both the OJT Trainee and Employer files

ATTACHMENTS:

OJT Customer Interest/Referral Form

INQUIRIES

If you have questions please contact staff at (831) 796-6434. This policy is posted on the WDB website located at: www.montereycountywdb.org/policies/

CHRIS DONNELLY, Executive Director
Monterey County Workforce Development Board