



On-the-Job Training Policy

On-the-Job training is defined in the Workforce Innovation and Opportunity Act (WIOA) Section 3 (44) as training by an employer that is provided to a paid participant while engaged in productive work in a job that (A) provides knowledge or skills essential to the full adequate performance of the job; (B) is made available through a program that provides reimbursement to the employer of up to 50 percent of the wage rate of the participant, except as provided in Section 134(c)(3)(H), for the extraordinary costs of providing the training and additional supervision related to the training; and (C) 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.

The two unique features of OJT are: (1) individual begins training as an employee of the employer and is subject to the same conditions of employment as other similarly employed individuals; and (2) individual receives training under appropriate supervision, thus acquiring occupational skills and knowledge in an “on-the-job” training environment. OJT is a viable pathway for unemployed workers seeking employment; and for employers seeking workers. It offers the unique opportunity to offset initial training costs to fill skilled positions while building organizational productivity as the employee learns job requirements. OJT placements should be in the context of in-demand occupations or industries where career pathways exist with employer partners who have a documented plan to add jobs.

PARTICIPANT ELIGIBILITY/REVERSE REFERRAL

On-the-job training (OJT) may be provided to eligible WIOA participants who are assessed and found to be in need of and suitable for training services in order to obtain or retain employment that leads to self-sufficiency. The participants must demonstrate a need for training as recorded on the Individual Employment Plan (IEP).

Employers will have the final selection authority for individuals to be hired. All trainees must meet certain WIOA eligibility criteria before training can begin. Only those individuals who meet the eligibility requirements for intensive services, who have received an assessment and for whom an IEP has been developed may be considered for OJT.

At the discretion of the local Workforce Board Director, an individual referred as a potential candidate for OJT by an employer (reverse referral) may be considered for OJT with that employer only after the individual has met eligibility requirements for intensive services, has received an assessment, and for whom an IEP has been developed that indicates OJT is appropriate.

Consideration should be given to: the skill requirements of the occupation; the academic and occupational skill level of the participant; prior work experience; and the participant's IEP. The results of objective assessment, as documented on the individual's IEP must indicate that the participant is in need of, and can benefit from, the activity of OJT. The IEP must capture the past work history of the applicant from the official file, assess the test results, capture additional information from the applicant about past work experience, hobbies, volunteer experience, and identify strengths and weaknesses of the applicant. It must include documentation as to the new skills to be acquired during training and how skill gap deficiencies will be overcome with the training.

On-the-Job Training for incumbent workers is allowed by WIOA when: (a) the employee is not earning a self-sufficient wage as determined by local Workforce Development Board policy; (b) all OJT Pre-Award Analysis conditions are met, and (c) the OJT relates to the introduction of new technologies, introduction to new production or service procedures, upgrading to new jobs that require additional skills, workplace literacy, or other appropriate purposes identified by the local WDB. OJT for an incumbent worker must have local Workforce Development Board approval.

EMPLOYER ELIGIBILITY

On-the-Job training is primarily a "*hire first*" program; the trainee becomes an employee of the company prior to the beginning of the training program. Hiring and training may begin after the *OJT Pre-Award Analysis* form has been completed and the OJT Employer Agreement has been signed by all the parties.

Local Board staff should give careful consideration when selecting a suitable employer for OJT. General business practices in terms of working conditions (safety, health), the availability of health benefits, sustainable wage structure, turnover rates, adequate staff and equipment to carry out the training, and whether the employer is in compliance with federal, state and local laws, etc. are factors to consider while completing the OJT Pre-Award Analysis Form. When considering an employer to participate as an OJT worksite, Workforce Development Board staff should carefully review and determine the nature of the employment to ensure the employment is on-going and not temporary, probationary or intermittent employment.

An On-the-Job Training contract must be limited to the period of time required for a participant to become proficient in the occupation for which training is being provided. In determining the appropriate length of the training, consideration must be given to the skill gaps that exist when comparing the skill requirements of the occupation and the academic and occupational skill level of the participant, prior work experience, and the participant's IEP. The goal of On-the-Job Training is retention of the trainee by the employer following the successful completion of the training.

OUTREACH/RECRUITMENT OF OJT PARTICIPANTS

There are several approaches that will be used in identifying potential OJT candidates. Listed below is the preferred order of providing outreach and recruitment of OJT participants.

(Strategy A): The Career Development Consultant (CDC) will provide referrals of individuals (already on caseload) they recommend as OJT candidates. The CDC's referrals will highlight specific soft/hard skills, travel requirements, industry preference, pay desired, references, recommendation letters, training program/completion data and special notes/comments from CDC observations.

BSRs will schedule a meeting with the participants individually to interview and obtain more information on them to ensure they are comfortable in marketing to employers. The BSRs will identify employers to market these OJT candidates to and set-up appointments among various industries. The BSRs will coordinate the interview between the employer and OJT candidate. Once the OJT candidate has been selected, another meeting is scheduled to include the OJT candidate, Employer, BSR & CDC to identify the Training Plan, IEP and review/obtain required signatures of contract.

(Strategy B): The BSRs will market OJT opportunities to businesses, and obtain job descriptions and job orders for OJT. If a company does not have a job description with specific requirements for knowledge, skills and abilities, the BSR will develop one for the business. BSRs will send an email to all CDCs and include a job description, background information about the company, benefits, pay, hours etc., to obtain eligible OJT candidates for submission to employers. The BSR and CDC will jointly enter individual activity notes into NC Works Online on all OJT related activities for participants.

The daily traffic of individuals who come into the resource room and/or Career Center searching for jobs and only exposed to core services would be considered as potential OJT candidates; they then go through our process of determining WIOA Eligibility (to include WIOA Orientation; assessments to determine interests, abilities and basic skills; career planning; and initial meeting with BSRs or CDCs) to ensure they would be a good candidate for OJT.

EMPLOYER MARKETING STRATEGIES

There are various communication methods (no cost) that will be utilized in marketing OJT candidates to employers such as:

- Broadcast emails to randomly selected employers with attached color flyer that promotes several candidates simultaneously in one specific field;
- Initiate Job Development contacts with employers by presenting talent portfolios of potential OJT candidates including the following highlights: career choice, skill sets, education background, characteristic traits and name;
- Attend civic group meetings and as guest speaker promote your candidates with a 1 – 2 page highlights of candidates with 2 or 3 career choices identified (i.e. Chambers, SHRM/HR Associations, BPW, ABWA, Rotary, Kiwanis etc.).

COORDINATION OF CASE MANAGEMENT AND BUSINESS SERVICES FUNCTIONS

There are functions that are clearly defined as designated roles for Case Management (aka: CDC) and Business Services. They are as follows:

Case Management/OJT Candidate Related Activities

- Identify OJT candidate
- Assess skills
- Develop IEP/Service Plan
- Offer Support Services
- Prep Candidate for Referral (i.e. must have a resume, references, etc.)
- Enter all case notes into NC Works Online (up to this point)

Business Services/OJT Employer-Related Activities

- Promote OJT to employer
- Present OJT candidate(s)
- Set-up interview with employer & OJT candidate
- Obtain feedback on selection made
- Coordinate joint meeting w/Case Mgr for contract agreement/training plan development
- Monitor contract
- Consult on training plan
- Ensure training plan implementation
- Initiate Performance Evaluation Forms
- Define skill gap
- Document skill gap
- Decide duration

Joint Activities with Case Management & Business Services

- Meet with employer and OJT Candidate to develop training plan, review contract agreement and obtain required signatures
- Develop training plan
- Share case notes in NC Works Online based on participant feedback/contact and employer feedback/contact
- Jointly review completed performance evaluation forms for needed follow-up discussions and maintain copy in participant's file

CONTRACT REQUIREMENTS

Employers selected for On-the-Job training must meet the following program guidelines:

- On-the-Job Training contracts require that the wages paid to trainees be at least the prevailing entry wage for any specific occupation in the community. If the employer operates under a collective bargaining agreement, the wage and benefits must be those specified in that union agreement and the job opening must be cleared with the appropriate union;
- The employer must comply with requirements of the Civil Rights Act with respect to equal opportunity in employment for the OJT position as well as comply with all federal, state, and local laws;
- Trainees hired under this program will be subject to the same personnel policies, rules and regulations, afforded the same benefits, and compensated at the same rates as other employees of the company;
- Employers must carry Workers Compensation Insurance and make federal and state tax withholdings as required by law. In addition, the individual trainee payroll tax records must be maintained and available for review for a minimum period of three years after the end of the training period;

- Conditions of employment and training will be in full accordance with all applicable federal, state, and local laws (including but not limited to health and safety laws), and be appropriate and reasonable with regards to the type of work undertaken and the proficiency of the participant;
- The employer must certify that the participant will not displace any regular employee of the employer and that no person was displaced as a result of the relocation of the current business within the previous 120 days of signing the OJT Contract Agreement;
- The OJT employer will agree to adhere to the local Workforce Development Board's grievance process if a complaint arises in connection with the OJT trainee and/or the training;
- On-the-Job Training participants will not be employed to carry out the construction, operation or maintenance of any part of a facility that is used or to be used for sectarian instruction or as a place for religious worship, or be required to participate in religious activities;
- The OJT must be conducted at the employer's place of business or a related location, and may not be subcontracted;
- No individual (neither new hire nor incumbent) may enter an OJT position if a member of his/her family is engaged in an administrative capacity with the OJT employer, including a person with selection, hiring, placement, or supervision responsibilities for the OJT trainee;
- The OJT employer must certify that neither the employing company nor its principals are presently debarred, suspended proposed for debarment, declared ineligible, or excluded from participation by any federal department or agency;
- The OJT employer will maintain and make available for review all time and attendance, payroll, and other records to support amounts reimbursed under OJT contracts;
- A participant may not be trained under an OJT contract at a particular employer if (1) any other individual is on layoff from the same or substantially equivalent job; (2) the employer has terminated the employment of any regular, unsubsidized employee or otherwise caused an involuntary reduction in its workforce with the intention of filling the vacancy so created with the WIOA participant; or (3) the job is created in a promotional line that infringes in any way on the promotional opportunities of currently employed workers;
- The employer must provide information such as an IRS Employer Identification number and a State Employer Account number to demonstrate that they are a legitimate employer, having full-time employees, and conducting their trade or business at an appropriate worksite;

- The employer must not be involved in a current labor dispute and must not have a history of frequent layoffs;
- No OJT Funds will be used, or proposed for use, to encourage or to induce the relocation of an establishment, or part thereof, that results in the loss of employment for any employee or such establishment at the original location;
- OJT contracts will be permitted with firms in which current and/or past Workforce Development Board members are employed or otherwise have a financial or personal interest. Every effort will be made to avoid conflict of interest when a board member or member of staff is employed by the company;
- OJT contracts may be written in the public sector (excluding Federal Agencies and the Postal Service) provided that such contracts do not exceed the ratio of public employment to private employment;
- During the past twelve months, the employer's operation has not experienced a high turnover or layoff of employees in similar positions having the same or similar job title as the proposed OJT training positions;
- The incumbent worker OJT must relate to the introduction of new technologies, introduction to new production or service procedures, upgrading to new jobs that require additional skills and workplace literacy;
- The occupation must be one in which there is a documented current or anticipated demand;
- The occupation must not be seasonal, intermittent, temporary or one for which minimal training is needed;
- The occupation must not involve payment in the form of a commission or tips as the primary source of reimbursement to the OJT Employer/Trainee;
- The occupation must be one in which specific occupational training is a pre-requisite for employment. Generally speaking, the occupation must require at least 360 hours of training to reach full productivity;
- The occupation must provide full-time employment. Full-time employment is defined as a 40 hour work week, except where fewer or greater hours are normal to the occupation, but in no case less than 30 hours per week. Contracts may also be negotiated for part-time employment if such negotiation is undertaken for a specific participant, but only in those instances where full-time employment is not feasible due to physical limitation (e.g. impaired/disabled individuals);
- OJT training shall be conducted at the employer work sites which meet prevailing standards with respect to wage, hours and conditions of employment. No OJT contract

shall be initiated unless the wages for the position starts at \$9.50/hour. The wage cap for reimbursement may not exceed \$30.00/hour. For example, this means that an employer paying \$9.50/hour can be reimbursed at \$4.75/hour or an employer paying \$30.00/hour can be reimbursed at \$15.00/hour.

- OJT training may be conducted within a career ladder as long as it does not infringe in any way upon the promotional opportunities of currently employed individuals;
- Training may not be provided for occupations where adequate supervision and/or monitoring are not available. These include traveling salespersons, out-stationed job positions, truck or van drivers and other positions requiring more than an occasional trip from the employer worksites;
- OJT training shall not be provided for waiter/waitress or non-management fast food positions.

OJT CONTRACT DEVELOPMENT

The BSR reviews the Contract Pre-Award Analysis and Contract Guidelines with the employer to ensure an agreement is reached. The BSR has the employer sign the Contract Pre-Award analysis.

Once an OJT candidate is identified and accepted by the employer, the BSR will review OJT Employer Agreement and highlight the following items (i.e. reimbursement % to employer, reimbursement timeframe, invoicing/back-up required for processing, comply with all Federal, State, local laws and regulations, performance evaluation, modifications, and general assurances) and obtain signature of employer and WIOA OJT agency for finalization.

SKILLS GAP ANALYSIS/TRAINING PLAN DEVELOPMENT

Following the execution of the OJT Employer Agreement, an individualized OJT Training Plan must be developed for the acquisition of skills that the trainee does not already possess. This plan will contain occupationally specific skills that the employer requires for competency in the OJT occupation. An analysis of the trainee’s prior work history and the job skills gained must be compared to the job skills/job description the employer requires in the OJT occupation. The resulting gap in skills will be the basis for the development of the Training Plan. The Specific Vocational Preparation (SVP) data found in the O*NET Online database for that particular occupation will be used and adjusted to determine the length of training necessary to acquire the needed skills. Each skill description should be concise, but comprehensive and the individual tasks should be measurable and observable. The specific types and sources of information used to identify the scope of the skills gap must be included in the participant’s case file.

SVP conversions to be used are as follows (shows maximum number of hours):

<u>SVP Level</u>	<u>Max # of Reimbursable Training Hours</u>
3	520
4 and over	1040

Each skill description should be concise, but comprehensive and the individual tasks should be measurable and observable. The specific types and sources of information used to identify the scope of the skills gap must be included in the participant's case file. In no event may reimbursement exceed the later of 6 months or 1040 hours, including time spent in related classroom training which wages are paid by the employer.

There are a number of assessment tools available that may be used to conduct a skills gap analysis and provide adequate documentation of the process used to develop the Training Plan. These include Prove It, an Internet-based assessment tool used to determine an individual's level of skills in a particular occupation and to document skill deficiencies, as well as the O*NET Online website and www.myskillsmyfuture.org which have both been developed by the US Department of Labor.

TRAINEE SKILL EVALUATION

The initial site visit by the Local Workforce Board will occur within 30 days of the actual OJT start date. Periodic communication with the OJT employer/supervisor and the trainee during the training period is required to insure the successful completion of the training.

At the midpoint of training, the trainee's acquisition of the required occupational skills on the Training Plan will be evaluated by the employer/supervisor using the OJT Trainee Evaluation Form. This is an opportunity for the employer/supervisor and the trainee to interact and review the skills progress made by the trainee and to make any necessary adjustments to the training shown in the Training Plan.

The Trainee Evaluation Form will also be used at the conclusion of training to document the mastery of the required skills. Completion of the final skills evaluation section of the form signals the successful completion of the Training Plan and agreement by the employer to retain the trainee.

OJT SUPPORTIVE SERVICES POLICY

OJT participants will follow the existing supportive services policy set forth within their Local Workforce Board pertaining to WIOA Eligible Clients.

OJT FORMS/RECORD-KEEPING

The forms listed as Attachments B are the official documents to be used when conducting WIOA-funded on-the-job training activities and are to be completed sequentially. The OJT contract package is incomplete if all forms (Pre-Award Analysis, Employer Agreement, Training Plan Narrative, Training Plan, and Trainee Evaluation) are not completed.

All forms pertaining to Business Eligibility, Contracting, and Monitoring shall be maintained by the BSR until the training period has been completed. The file will be merged with the CDC participant file for exiting.

REIMBURSEMENT POLICY AND INVOICING PROCESS

Upon execution of the OJT Training Plan by all parties, the BSR electronically completes the Employer and Trainee sections of the OJT Employer Invoice and sends it to the Employer to be used as the template for future invoice submittals. This information should match that found on the Training Plan and ensures that the information on the invoice that the employer submits is accurate. The employer will ultimately complete the Wage/Reimbursement and Trainee Status sections when submitting the invoice.

The BSR will instruct the employer to submit invoices based on local area's requirements (e.g. bi-weekly, monthly, etc.) so the BSR can verify information is accurate (e.g. calculations, remaining balance, etc.), signing off for agreement with submission and forward to Administrative Services for processing. The invoice must be accompanied by employer payroll records sufficient to verify the wage reimbursement being requested. All employers must maintain a system for recording hours worked and for issuing paychecks. The type of record submitted may differ by employer, but documentation must show a match between the amount requested on the invoice and the amount paid to the trainee.

Invoices that are incomplete or that are missing documentation will be returned to the BSR for follow-up and correction by the employer. Complete invoices are processed for payment normally requiring no more than (7) business days. BSRs are responsible for having an internal tracking system that captures hours worked by pay period/YTD and money reimbursed by pay period/YTD so they can ensure the obligated amount agreed upon in the OJT Employer Agreement is followed.

In general, if an employer terminates a trainee at will and/or for reasons due to no fault of the trainee, the employer may not be eligible for reimbursement. In general, if a trainee quits or is released by the employer for trainee at-fault reasons, the employer would be reimbursed for the wages paid up to the date of termination (in accordance with the percentage specified in the training plan). In such cases, reimbursement will be an administrative determination in each instance that may require approval by the Local Workforce Board Director. Termination due to economic layoff will negate reimbursement in most circumstances.

Payment for Hours Not Worked: In any case, hours not actually worked (such as holidays, sick days, etc.) may not be reimbursed.

Union Organizing: No funds received under this agreement may be used to assist, promote, or deter union organizing.

OJT Employees shall also be afforded all paid leave and paid holidays as other employees in accordance with the personnel rules covering regular employees but all fringe benefits shall be a cost to the employer and shall not be included in the OJT cost reimbursement.

FINANCIAL/PROGRAMMATIC MONITORING

In addition to the monitoring that is performed under the Training Skill Evaluation section of this policy; each local area has a monitoring schedule and tool that is followed throughout the year to continuously monitor our ***program operations, fiscal responsibilities and administration*** to

ensure we are in compliance with state and federal regulations. The monitor may conduct site visits, examine program operations, review beneficiary and trainee eligibility and review outcomes and quality of training being provided. Investigations may include examining records, case files, questioning employees, interviewing clients and visiting sites where any WIOA program or activity is conducted or records of participants are kept. Monitors may also review employer records to assure that participants are receiving proper wages. They may make a work site visit to ensure that participants are employed in the agreed upon position, at the appropriate wage, utilizing the skills obtained through training.

Formal monitoring (using local area monitoring tool) should occur at least annually to ensure compliance and that problems can be identified and resolved as soon as possible. Results of review should be documented including any areas of concern with recording corrective actions and date of completion. Results of annual review will be reported to the local Workforce Development Board.