

**CAPITAL AREA
WORKFORCE INVESTMENT ACT
ON-THE-JOB TRAINING
POLICY AND PROCEDURES**

On-the-job-training (OJT) is one of several training options that Capital Area Workforce Investment Act (WIA) Contractors can utilize to help customers develop job-specific occupational skills for new careers. The program is designed to provide occupational skills training for the customer at an actual worksite through a plan agreed upon by the employer and the WIA Contractor. The employer is reimbursed for extraordinary training costs and the lower initial productivity of the OJT participant at a predetermined rate, not to exceed 50 percent of the wages paid by the employer to the OJT trainee.

GUIDELINES AND REQUIREMENTS FOR ALL OJT CONTRACTS

- * Employer must have appropriate worker's compensation and/or other forms of workplace insurance to cover trainees.
- * Employer should not be in violation of any applicable Federal, State or local laws.
- * OJT contracts cannot have adverse effects on current employees of the participating employer.
- * OJT cannot represent a disproportionate share of the participating employer's workforce.
- * OJT should not result in the replacement of any workers currently employed or on layoff.
- * OJT trainees cannot have been employed by the employer previously or in the same type of occupation with another employer within the previous 12 months.
- * Employer must document progress of trainee and also allow Capital Area and WIA Contractors staff access to training and salary information.
- * Employer must have a grievance procedure for employees; if not, employer must agree to abide by WIA Contractor's policy.
- * Training occupation is not intermittent or seasonal work.

Employer Criteria

The following information should be reviewed by Contractor staff when considering employers for potential OJT contracts.

- **A regular (not temporary) job opening should exist where the OJT customer can be retained in a full-time unsubsidized job upon successful completion of training.**

- Attention should be given to the employer's wages, benefits and working conditions and client's needs should be considered in all of the above.
- Training occupation does not have a substantial number of workers currently unemployed in the local labor market. There must be a need or demand for this occupation locally.
- Entry level wages for OJT positions will be not less than \$8.00 - \$9:00 per hour.
- Training position should be a full time position (at least 35 hours of work per week) and OJT trainees should receive the same benefits and considerations as non-OJT entry level employees in similar positions.
- Employer should have been conducting business for a reasonable period of time, preferably at least two years.
- Past performance of the employer with Workforce Investment Act (WIA) or Job Training Partnership Act (JTPA)-funded OJT and related programs should be determined. Check for past record of misuse or abuse of WIA or JTPA funds.
- Employer should have at least five employees or be able to demonstrate that the business is staffed such that an OJT employee can be trained and supervised at all times.
- Employer should forecast sufficient business demand to provide long term regular employment beyond the OJT contract period.
- Training occupation should not be a position where the primary source of wages is commissions, tips or piecework.
- Training occupation should not be an occupation that has above average turnover in the local labor market.
- **Employer should not be a temporary employment agency, unless customer is being trained to work in that particular business or a related area. (No temporary assignments).**
- **Occupations that traditionally have not required specific training will not be eligible for OJT.**

Client Criteria

In assessing WIA Adult or Dislocated Worker customers for potential OJT training, the following areas should be evaluated:

- Does assessment indicate suitability for OJT?
- Do the existing skills of the customer lend themselves to OJT?
- Did the client express an interest in OJT?
- Is the customer able to work full-time and complete the training that is available?
- Overall financial need of the customer. OJT provides wages to the trainee during training.
- Is OJT training more appropriate than classroom training for the WIA customer's particular area of occupational interests and abilities?

OJT CONTRACTING PROCEDURES

All Capital Area Workforce Investment Act-funded OJT contracts are subject to the provisions of the Workforce Investment Act of 1998 and all regulations and modifications of the law. All OJT contract negotiations will be customer focused and for the specific purpose of securing skill training and long-term employment for the WIA customer.

On-the-job-training contracts will be negotiated directly by WIA Contractors in Wake and Johnston Counties. Since all OJT training will be assessment-driven and developed in accordance with an individual's WIA Individual Employment Plan, WIA staff will first determine that this is the proper avenue of training for a client and then seek to locate a business that can provide this training.

Contracts will generally be written for each WIA trainee and should reflect the assessment information compiled and recorded by the WIA staff.

LENGTH OF TRAINING TIME

OJT contracts will not be written for an occupation requiring less than 240 hours of training as indicated by the Specific Vocational Preparation (SVP) level. Maximum training time will not exceed 1040 hours. The OJT contract period will not exceed six months except as modified when actual training hours are not completed within a six month period. "Training Time" is defined as actual hours worked while enrolled in OJT.

The duration of OJT is limited to a reasonable period of time needed for each trainee to acquire identifiable skills.

To determine appropriate and reasonable training time for each trainee, WIA Contractors will use the following resources and information:

- O*NET Dictionary of Occupational Titles (DOT)
- Specific Vocational Preparation (SVP) Levels
- Employer Job Description and Training Outline
- Applicant's Prior Work Experience and Education
- Individual Assessment Records
- OJT Training Time Determination Record form.

The DOT and employer's job description will be used to identify the training occupation and DOT code. The Specific Vocational Preparation number assigned to the nine digit DOT code number will indicate the maximum number of training hours allowed for that occupation.

However, maximum training hours will not be authorized unless a trainee has absolutely no work experience in the occupational field or any related field, is entering the workforce for the first time, is re-entering the workforce after several years absence or has a disability which limits his/her ability to perform at a "normal" rate.

In determining actual training time to be authorized for an OJT contract, WIA Contractor will use as a starting point, an average training time, established for each SVP level between two and seven. The chart below indicates maximum and average training hours for each SVP level.

<u>SVP Level</u>	<u>Maximum Training Time</u>	<u>Average Training Time</u>
2	240	200
3	520	360
4	1040	720
5	1296	840
6	1560	960
7 and higher	1816	1040

The average training time will be adjusted as appropriate for each participant's experience and needs. Average length of training may be reduced for a contract to reflect an individual's previous work experience and/or educational preparation. Average length of training may be increased to assist an individual with special needs, limited work experience and/or significant barriers to employment. See OJT Training Time Determination Record (CA Form 32). **In no case will the authorized training hours exceed the maximum training time allowed for that SVP level or 1040 hours, whichever is less.**

CONTRACT DEVELOPMENT

Prior to beginning OJT contracts, WIA Contractors will conduct an on site OJT Pre-Award Review. Employers will read and sign a Contractor Pre-Award Review form and the Debarment and Suspension Certificate. These documents provide assurances that the prospective OJT employer is able to fulfill such an agreement.

OJT contracts will generally not be written for more than one training position. Since OJT is part of an Individual Employment Plan for a particular WIA customer, each contract should represent the training agreement for that individual.

OJT contracts will consist of the OJT Agreement or signature page, which contains the basic training agreement and authorizing signatures, a Training Outline, developed by the local WIA Contractor and the Employer, and General Provisions dealing with the contract and applicable regulations.

WIA Contractor staff will be responsible for preparing contracts and documenting determinations of the number of authorized training hours available to each customer. Actual job descriptions from the training location (employer) will be used to develop the contract (not the DOT job description). Total contract amounts are calculated by multiplying the starting wage and expected wage increases, if any, by the number of training hours agreed to for the contract. The total wages paid (hourly rate x hours) are then multiplied by 50% (percent) to determine the maximum amount of reimbursement to the OJT employer. *For example, if a contract is negotiated at 800 hours of training and starting wage of \$9.00 per hour, the total contract amount will be 800 hours x \$9.00 per hour x .50 = \$3600.*

OJT contracts may be written with both private and public sector employers. The number of persons involved in public sector contracts cannot exceed the rate of public sector employees in the area.

WIA Contractors must ensure that no customer begins work for a company or organization entering into an OJT contract prior to the signing of the contract by all parties. Contracts cannot be written for current or previous employees of the company (this can be reviewed if a lengthy period of time has elapsed since the work period, such as 10 years or more) or for customers who have done similar work with another company. In addition, participants must meet all WIA eligibility requirements before being considered for OJT.

CONTRACT MAINTENANCE

WIA Contractors will be responsible for monitoring the OJT contract, including periodic site visits with the OJT trainee and the immediate supervisor. Disbursements of funds for payment of OJT contracts shall be done within the rules and regulations of WIA and is subject to the procedural guidelines established by each Contractor for such payments.

LABOR UNIONS

When labor organizations represent a substantial number of employees who are engaged in similar work or training at a business where WIA funding is being proposed, that organization must be provided an opportunity to submit comments on the training proposal.

OJT agreements are also prohibited from impairing existing collective bargaining agreements. Any OJT agreement that would be inconsistent with the terms of the collective bargaining agreement requires the written concurrence of the labor organization and employer concerned.

Comments from labor organizations on OJT proposals should be requested and considered as a routine part of the proposal review process. OJT contracts should include an assurance that OJT does not conflict with any collective bargaining agreements except where written concurrence of the labor organization has been obtained.

OJT RECORD KEEPING AND REPORTING REQUIREMENTS

Record Keeping (Employer)

All records required to substantiate OJT contract costs will be maintained by the employer for three years beyond termination date of the contract or until any pending audit is completed.

These records include payroll, attendance, production and employee progress records. The employer shall ensure that trainee attendance records contain the following: actual hours worked, vacation, holidays, sick leave and other leave. The employer shall ensure that trainee payroll records contain the following: amount paid for hours worked, amount paid for sick leave, holidays, vacation and other leave, and amount paid for fringe benefits.

Record Keeping (WIA Contractor)

A file folder will be maintained for each OJT contract consisting of an original signed contract document, pre-award review, debarment and suspension certificate, paid invoices and trainee timesheets(unless payment records are maintained separately), modifications executed, if any, and other contract-related correspondence.

A participant file will also be maintained by the assigned WIA staff for each OJT trainee enrolled in a contract for training. This file will contain at minimum the following: Capital Area Eligibility Checklist and verification documents, Notice of EO Rights, WIA Intake/Application form, appropriate release forms, assessment records, checklists for Core to Intensive and Intensive to Training Services, Individual Employment Plan, case management/activity notes and progress reviews, and follow-up records upon completion of the OJT activity.

Reimbursement to OJT Employers

In accordance with the contract terms, the employer shall hire and place on its payroll in regular employment, an individual hired under this contract on the effective date of the contract.

WIA Contractors shall reimburse the OJT employer on a monthly basis upon receipt of properly completed and signed OJT timesheet and invoice forms. Reimbursement will be for actual hours in training (hours worked) while enrolled in OJT. The WIA Contractor will not reimburse the employer for work performed outside the beginning and termination dates of the contract, or for periods of work stoppages, paid or unpaid, e.g., holidays, sick leave, weather-related closing, etc.

The employer shall be financially and legally responsible for expenses incurred or actions taken which violate the terms of this agreement. The employer shall notify WIA Contractor prior to any trainee promotions, demotions, terminations, or changes in training and job description. Failure to do so may constitute forfeiture by the employer of any unpaid reimbursement.

Reporting Forms and Procedures

The two basic reporting forms to be completed by the OJT employer are the (1) On-the-Job Training Employer Invoice for Reimbursement (CA Form 98), and (2) OJT Timesheet (CA Form 30). The invoice serves as the means for requesting reimbursement for extraordinary

costs associated with training WIA employees, and the timesheet as the validation of training hours worked by the OJT employee. WIA staff are expected to explain the correct use of the OJT timesheet and invoice, provide sample completed forms, and be available to assist in the preparation of invoices as requested by an employer.

In addition to the above, the OJT trainee's direct supervisor or person responsible for his/her training shall maintain records of the employee's progress during training. The specific skills to be learned and agreed upon training hours are specified in the Training Outline section of the OJT contract. Training supervisors and WIA staff shall monitor, discuss, and document the progress of the OJT employee in gaining the identified skills. The copy of the training outline (contract Attachment A) retained by the employer will be annotated as each skill area is mastered. The training supervisor will identify the "competency standard" achieved by the trainee that demonstrates attainment of each skill area on the training outline. As each competency standard is demonstrated by the trainee, the training outline will be annotated, initialed and dated by the training supervisor.

WIA CASE MANAGER'S ROLE

With the customer

The WIA staff is responsible for initiating OJT training activities as described in the Contractor's Statement of Work and Capital Area OJT Policy and Procedures.

Prior to beginning contract development, the WIA staff should complete the following:

- Eligibility determination and documentation.
 - Assessment, including testing, and determination of the best available avenue to aid the individual customer.
- ** Assessment results may include information obtained from APTICOM testing or a similar assessment instrument indicating general aptitudes in the proposed area of OJT training.

Once the WIA customer completes minimum Core and Intensive level WIA services, and, it has been determined that OJT is an appropriate activity for the customer, the WIA staff will identify companies that are interested in providing OJT in the work/skill area where the customer has shown interest and some likelihood of successful completion. After making contact, the WIA staff will negotiate the OJT contract directly with the employer.

WIA staff will also have the responsibility of following the progress of the OJT participant, including visiting the job site and making contact with the trainee's immediate supervisor. Following completion of the contract, the WIA staff will conduct follow-up with the OJT participant to provide job retention and supportive services as needed to ensure job retention.

With the employer

After identifying and contacting businesses or agencies that can provide OJT training for a customer, the WIA staff will be responsible for direct negotiation of the training contract.

Following initial contact and basic agreement with the employer, WIA staff will conduct an *OJT Pre-Award Review*. The OJT Pre-Award Review form and the Debarment and Suspension Certificate will be completed and signed by staff and the Employer. These documents consist of assurances from the employer made prior to an actual contract agreement. Both the Pre Award Review form and Debarment Certificate will be maintained in the WIA Contractor's OJT contract files.

OJT contracts should be negotiated directly by the WIA staff and should reflect a planned learning experience with specific time targets set for skill development. Mastery of these skills should be recorded by the employer/supervisor on the training outline.

The contract should consist of a (1) Signatory or OJT Agreement page, (2) OJT Training Plan and (3) General Provisions section. Contracts must be signed by representatives of both the employer and the WIA Contractor prior to the beginning of OJT.

Once a WIA customer has begun work under OJT, the WIA staff should maintain contact with the customer, including counseling, if needed. Included in these contacts should be the customer's immediate supervisor in order to verify progress in the mastery of skills. WIA staff should meet regularly with the direct supervisor of the trainee in order to expedite documentation of the skills mastered during the OJT contract. In addition, WIA staff will be responsible for collecting timesheets for the trainee (must be signed by trainee and supervisor) and verifying invoices submitted to the Contractor for reimbursement to the employer.

WIA Contractor staff is responsible for following up with customers upon completion of training. In addition, persons not completing OJT training can be evaluated for other types of training and/or be provided job search assistance.