

ON-THE-JOB TRAINING POLICY

Southern 14 Workforce Investment Board, Inc, LWIA #26

The Southern 14 Workforce Investment Board and its service provider entities shall use the most current Department of Commerce policies/notices and its attachments under the Workforce Innovation and Opportunity Act of 2014.

General Requirements

1. On-the-job training (OJT) programs must provide potential new employees (adults, dislocated workers or eligible youth, when appropriate) or eligible underemployed workers with the opportunity to acquire new skills or knowledge essential to job performance.
2. Service providers may approve the purchase of items required for the OJT such as tools, equipment, and uniforms.—Supportive Service policy should be utilized with a Supportive Service Needs Review completed with appropriate documentation.
3. The participant must be an employee during the OJT contract period and the employer must agree to the contract prior to the person's start date.
 - a. Employment will continue upon successful completion of training. Successful completion includes:
 - 1) Acquired the skills identified for the training program and met the goals of the Universal Career Plan;
 - 2) Complied with all company and employment obligations throughout the training.
 - b. The intent of an OJT is full-time paid employment that leads to self-sufficiency according to the most current Lower Living Standard Income Level or at or above the self-sufficiency level established by LWIB 26 standard.
 - c. Consideration may be given to an OJT placement that is less than full-time if an individual is receiving a service other than education or training and has one or more of the following barriers to employment: adult or youth with a disability, an ex-offender, a youth aging out of foster care, eligible migrant and seasonal farmworkers, an individual who is homeless, or an English language learner, who has low literacy levels and faces substantial cultural barriers.
 - d. Employers may not hire OJT employees as independent contractors.
4. Employers are ineligible for an OJT contract if they have previously exhibited a pattern of failing to provide OJT participants with continued long-term employment with wages, benefits and working conditions that are equal to those provided to regular employees who have worked a similar length of time and are doing the same type of work.
5. Training does not have to occur at the employer's location. a. OJT providers are not subject to the eligibility requirements for WIOA training providers. b. Although these providers are not included in the State Eligible Training Provider List (ETPL), they are considered to be eligible providers of training services (§ 680.530).
6. Local Workforce Innovation Board Area 26 (Southern 14 Workforce Investment Board, Inc.) (LWIB 26) may combine OJTs with other forms of training.

- a. As part of a customer's training outline, OJT may combine other types of training such as work experience, classroom, and remediation. Training is paid for using an Individual Training Account (ITA).
 - b. OJT may combine with ITAs to support placing customers into Registered Apprenticeship programs.
 - c. When combining OJT with other types of training such as those above, only the OJT hours are eligible for wage reimbursement.
7. OJT participants are not eligible to receive Needs Related Payments (NRPs).
8. OJT participants cannot be immediate family members of the business owner or direct supervisor. The term "immediate family" includes a spouse, child, son-in-law, daughter in-law, parent, mother-in-law, father-in-law, sibling, brother-in-law, sister-in-law, aunt, uncle, niece, nephew, stepparent, stepchild, grandparent, and grandchild.

Participant Eligibility

1. OJT participants must be determined eligible for each applicable funding source (i.e., WIOA Adult, Dislocated Worker, or Youth formula funded programs) and have worked with the career planner to complete the following:
 - a. A Work-Based Learning Assessment of the customer's pre-existing knowledge and skills relevant to the OJT position;
 - b. A Universal Career Plan that demonstrates the need for OJT; and
 - c. A training plan that meets the specific skill requirements for the position at the hiring employer.
2. OJT may be used to train an underemployed customer who currently works at the OJT employer only if the OJT elevates that employee to reach at least a self-sufficient wage through skill upgrade training that relates to any of the following:
 - a. The employee is not earning a self-sufficient wage as determined by the Local Workforce Innovation Board (LWIB) policy;
 - b. The OJT contract complies with the OJT Reimbursement section of this policy;
 - c. The OJT relates to the introduction of new technologies, new production or service procedures, an upgrade to a higher-skilled position requiring the individual to learn additional skills;
 - d. Other appropriate purposes identified by LWIB 26 (§ 680.710); or
 - e. LWIBs may choose to consider OJT contracts for eligible youth when it is appropriate based on the needs identified by the objective assessment of the individual youth and the individual's likelihood of long-term success if given the opportunity (WIOA Section 129(c)(2)(C)).

Employer Eligibility

1. Employers in the public, private non-profit or private sector may use OJT programs. OJT's may not be provided to government entities.

2. A staffing agency is an eligible employer for WIOA-funded OJTs if the staffing agency meets the following conditions:
 - a. The position is “temp to hire” and the host employer will hire the participant within a time as defined by LWIB 26 policy.
 - b. The placement from the staffing agency must be full-time as defined by the host employer.
 - c. The OJT participant wages and working conditions are at the same level and to the same extent as other employees working a similar length of time and doing the same type of work.
3. The wage provided by the employer to the OJT participant must be at least equal to the federal, state or local minimum wage (Fair Labor Standards Act).
4. In addition to meeting the General Requirements of this policy, an employer will be ineligible to receive a WIOA OJT contract at the worksite location if:
 - a. The employer has any other individual on layoff from the same or equivalent position.
 - b. The same or equivalent position is open due to a hiring freeze.
 - c. The OJT would infringe upon the promotion of or displacement of currently employed workers or a reduction in their hours.
 - d. The employer has terminated the employment of any regular employee or caused an involuntary reduction in its workforce with the intention of filling the vacancy with OJT participants.
 - e. The positions are for seasonal employment.
5. The employer must have the capacity and commitment to ensuring that the OJT program will address skills gaps specific to the individual and that staff has the time and knowledge to carry out the necessary training.
6. The employer agrees to cooperate with monitoring and reporting efforts as required by WIOA legislation, including a pre-award survey and adhere to all other applicable local, state and federal rules and regulations. A Copy of the pre-award survey is attached.

Apprenticeship

1. LWIB 26 may establish an OJT contract with an employer that has a registered apprenticeship program, but only the OJT hours are eligible for wage reimbursement through the OJT portion of the program.
2. Individual Training Accounts (ITAs) and OJT funds may be combined to support placing participants into a registered apprenticeship program, just as they can be used together for a participant who is not in a registered apprenticeship.
 - a. LWIB 26 may choose to set the duration or a financial limit on ITAs and OJTs for apprenticeships as defined in LWIB 26 policy for such programs.
 - b. An ITA should support the classroom portions of the apprenticeship program, and OJT funds may only support the on-the-job training portions of the program.
3. Depending on the length of the registered apprenticeship and local OJT policies, WIOA OJT funds may cover some or all of the registered apprenticeship training. Southern 14 Workforce Investment Board, Inc. (LWIB26) may choose to set the duration or a financial limit on ITA’s and OJT’s for Registered Apprenticeships.

4. Other types of training combined with OJT may take place during scheduled work shifts, but must not interfere with the full-time commitment of the OJT.

LWIB Responsibility

1. LWIBs must set policy for implementing OJT including:
 - a. The sub-recipient/service provider are authorized to negotiate OJT contracts on behalf of LWIB 26.
 - b. The Work Experience and OJT Pre-Award survey are a procedure that verifies the employer is suitable for OJT and meets state and federal policy and guidelines (i.e., working conditions (safety and health), wage structure, turnover rate, etc.).
 - c. Procedures guiding OJT contract modifications and employer disputes with the grantor and/or the trainee can be found on the OJT Contract.
 - d. The maximum length of time the OJT may be in place as well as financial limits for the OJT that considers:
 - 1) The amount of time it should take the individual named in the contract to become proficient in the occupation for which he or she is hired, as defined by DOL's Specific Vocational Preparation (SVP), including apprenticeships.
 - 2) The participant's pre-existing knowledge and skills relevant to the position for which he or she is hired based on the required personalized knowledge and skills assessment.
 - 3) LWIB 26 financial limits for OJT and/or ITAs. Training dollars are capped at \$13,500 per employee. Special exception to this guideline must be approved in writing by Southern 14 Workforce Investment Board, Inc.
 - 4) The training program should generally not exceed at total of 1,040 full-time hours of actual training (the equivalent of full-time training for six (6) months). Special exceptions to this policy must be approved in writing by Southern 14 Workforce Investment Board, Inc.
 - e. LWIA 26 will allow OJT contracts with staffing agencies if the following conditions are met:
 - 1) The Staffing agency must insure the "temp to hire" can be in place a maximum of 1,040 full time hours before the host employer must hire the participant full-time.
 - 2) Unless previously agreed upon by the host and staffing agency, the staffing agency will act as the employer of record. However, both must sign the contract to ensure an understanding with reporting requirements and provide assurance that both will abide by provisions within local and state policy.
2. Prior to entering into an OJT contract with an employer, LWIB 26's Sub-recipient/Service Provider must conduct a pre-award survey that includes verification of employer eligibility outlined in the Employer Eligibility of this policy.

OJT Contracts and Modifications

1. Upon determining the employer's capacity to provide OJT programs, LWIB 26 Sub recipient / Service Provider negotiates an OJT contract with the employer to determine an individualized training plan, reimbursement rate and training length, among other contract provisions deemed appropriate by LWIB 26. The standardized OJT contract that LWIBs will use is attached to this policy.

2. LWIB 26 Sub recipient / Service Provider is responsible for selecting and contracting with employers in the public, private non-profit or private sector to provide high quality OJT programs (WIOA Section 134(c)(3)(G)(ii); § 680.700).
3. LWIB 26 must perform a standardized pre-award review, prior to receiving a contract that at a minimum:
 - a. Is documented jointly by LWIB 26 Sub-recipient/Service Provider and the OJT employer that includes names under which the establishment does or has done business, including the name, title, and address of the company official certifying the information.
 - b. Determine whether WIOA assistance in connection with past or impending job losses at other facilities has occurred; including a review of whether the employer filed any WARN notices within the previous four (4) months.
4. The OJT contract must be limited to the period required for each participant to become proficient in the occupation for which he or she is hired and the training is being provided (§ 680.700(c)).
 - a. The appropriate duration and intensity of the training is based on a skills gap assessment that considers the following:
 - 1) The skill requirement of the occupation;
 - 2) The academic and occupational skill level of the participant;
 - 3) Prior work experience; and
 - b. The participant's Universal Career Plan (WIOA Section 134(c)(2)(A)(1)(xii)(II)). The skill requirement of the occupation should align with the SVP time estimate determined by USDOL which includes the time required to learn the techniques, acquire the information and develop the skills needed for average performance in a job. This occupational preparation includes time spent in training programs, academic training, and related work experience.

Specific Vocational Preparation (SVP) codes are used to calculate the maximum length of time allowable. Occupation specific SVP codes can be found at www.onetonline.org

Level	Time
1	*Short demonstration only
2	*Beyond short demonstration up to and including 30 days
3	Over 30 days, up to and including 3 months
4	Over 3 months, up to and including 6 months
5	Over 6 months, up to and including 1 year
6	Over 1 year, up to and including 2 years
7	Over 2 years, up to and including 4 years
8	Over 4 years, up to and including 10 years
9	Over 10 years

5. OJT contracts with eligible employers may allow the employer to provide OJT to a single employee or to multiple employees. In the case of multiple employees, each person must have an individualized assessment of knowledge and skills relevant to the position to determine the content and duration of the OJT training plan.

6. OJT contracts need to be modified if there are significant changes, such as layoffs or changes in federal, state, and local rules and policies pertaining to the implementation of OJTs.
7. A written outline/plan detailing the parameters of the OJT must be developed between the employer/worksites, the LWIA/Contractor, and the customer using the OJT Training Outline-Plan.
 - a. The outline must include, at a minimum, the location where the training will take place, the duration (beginning and end dates), compensation, skills, supplies needed for the OJT, and supervision.
 - i. An individualized OJT skills analysis must be conducted to determine the acquisition of skills that the customer does not already possess.
 - ii. This analysis will contain occupationally specific skills that the employer requires for competency in the OJT occupation.
 - iii. An analysis of the trainee's prior work history, transferable work skills, and the job skills gained must be compared to the job skills/job description the employer requires in the OJT occupation. The resulting skills gap will serve as the basis for developing the OJT.
 - b. The employer of record, the customer, the LWIA/Contractor, and the training provider, if other than the employer, must all sign and be given a copy of the outline. The outline must be available for audit and monitoring purposes.
8. A written progress report that includes invoicing must be submitted by the employer to LWIA/Contractor utilizing the OJT Progress Report and Invoice attachment.
 - a. The progress report must include, at a minimum, an evaluation of the customer, including the progress made towards obtaining the skills in the outline and the hours worked.
 - b. The Final Rules have indicated that soft skills are not rigorous enough to count toward a progress report that would count as a Measurable Skill Gain.
 - i. To determine if progress reports can count as an MSG, they must document substantive skill development achieved by the customer. At least one skill listed on the outline/plan must indicate that the skill was learned or show improvement.
 - c. The OJT Progress Report and Invoice must be submitted each pay period by the OJT Provider to the Service Provider.
 - i. Section 1 and 3 MUST BE completed by the Career Planner
 - ii. Section 3 Skills MUST be copied from the OJT Training Outline/Plan Section 2
 - iii. Section 2, 4, and 5 MUST be completed by the OJT Provider (Worksite Supervisor) and signed by both the OJT Provider (Worksite Supervisor) and the OJT Trainee
 - iv. A copy of the invoice/pay stub must be submitted each pay period where the OJT Trainee was paid will need to accompany the OJT Progress Report and Invoice for reimbursement purposes. This invoice/pay stub should match Section 4 of the OJT Progress Report and Invoice.
 - d. Page 4 of the OJT Progress Report and Invoice should be completed by the Service Provider for each pay period to keep track of the hours worked and amount paid.

- e. The work site supervisor, the customer, the OJT provider, and the LWIA/Contractor must all sign and be given a copy of the outline. The progress report must be available for audit and monitoring purposes.

OJT Reimbursements

1. OJT is provided for a WIOA customer in exchange for a negotiated reimbursement wage rate of fifty percent (50%) and in some cases up to seventy-five percent (75%) of the wage rate to compensate for the employer's extraordinary costs of training and additional supervision related to the training WIOA Section 3(44), 134 (c)(3)(H)(i), 134 (c)(3)(H)(ii) and § 680.730).

LWIA 26 may approve increasing the reimbursement wage rate up to 75% when taking into account the following factors:

- 1) The characteristics of the participants taking into consideration whether they are a Veteran and/or individuals with barriers to employment:

- A person with a disability
- A person who has been incarcerated
- A person who is basic skill deficient
- A person who is homeless.

thus, LWIB 26 policy may provide a higher rate of reimbursement for individuals who will require more intensive training than individuals without barriers;

- 2) The size of the employer; LWIB 26 shall consider the size of the business based on the total number of 50 or fewer full-time employees at the location where the OJT will occur.

OJT training dollars are capped at \$15,600 per employee. Special exceptions to this guideline must be approved in writing by the Southern 14 Workforce Investment Board, Inc.

The training should generally not exceed a total of 1040 full-time hours of actual training (the equivalent of full-time training for size (6) months). Special exceptions to this policy must be approved in writing by the Southern 14 Workforce Investment Board, Inc.

The training program should not be more than six (6) months in length as that indicated there may be too large a gap in the candidate's skill(s) level and employer needs.

The training length may exceed six (6) months if there are extenuating circumstances such as the lengthy illness, plant shutdown, holiday, etc.

The training program cannot be utilized to train new workers with the goal of laying off other employees

- 3) The quality of employer-provided training and advancement opportunities; and

- a. Benchmarks of high-quality employer-provided training should include:
 - a. Direct connection to in-demand skills;
 - b. A structured learning plan;
 - c. Training tied to skills that transfer beyond the employer (e.g., CNC machining, healthcare certifications);

- d. A time-limited, defined training duration;
 - e. Measurable skill gains;
 - f. Employer investment;
 - g. A pathway to unsubsidized employment;
 - h. Wage and working conditions that meet standards;
 - i. Customer tracking; and
 - j. Documentation and accountability.
- 4) Other factors LWIB 26 determines to be appropriate, including but not limited to: the occupation of training, receipt of an industry recognized credential after training, the number of employees participating, the participant's work history, labor market conditions, hourly wage, fringe benefits, promotional opportunities, the career planner's overall training budget, etc.
- b. An employee in OJT may work overtime hours, but overtime hours are not eligible for wage reimbursement. OJT Hours are not reimbursable toward regular orientations or training which are provided to all employees in a given job or worksite.
 - c. Funds provided to employers for OJT must not directly or indirectly assist, promote or deter union organizing.
 - d. WIOA funds may not be used to provide OJT if the business has relocated from a location that resulted in any employee losing his or her job at the original location. In this instance, the business would only be eligible for OJT after they have been operational at the current site for more than 120 days.

OJT Monitoring and Evaluation

1. Federal regulations require that each recipient and subrecipient of WIOA funds, including state agencies, Local Workforce Innovation Boards (LWIBs), and contractors, conduct regular oversight and monitoring of their programs and those of their subrecipients.
2. The Career Planner must conduct an initial on-site monitoring and/or desk review of the worksite within the first thirty (30) days after the customer begins work, with additional visits scheduled every thirty (30) days to ensure that goals are being met and adherence to this guidance and WIOA law and regulations. This tool is called the On The Job (OJT)/Work Experience (WEX) Local Monitoring Report.
3. The Service Provider will evaluate the OJT Worksite utilizing the Work Experience and OJT Pre-Award Survey. It is a pre-evaluation tool to determine the appropriateness of utilizing the worksite for OJTs. This task should be completed by the WIOA Program Manager/Service Provider before the start of the contract.
4. Monitoring: Service Providers, Career Planners, and the LWIB are required to perform monitoring of worksites to ensure compliance with project goals and adherence to WIOA law, policies and procedures.
 1. Service Provider Monitoring (WIOA Program Manager/Service Provider) should be completed first and is called the Work Experience and OJT Pre-Award Survey. This is a pre-evaluation tool used to determine the appropriateness of utilizing the worksite

for work experiences. This task should be completed by the WIOA Program Manager/Service Provider before the start of the contract.

2. Career Planner Monitoring should be completed every 30 days (or less) for the duration of the contract with the first Monitoring Report to be completed within 30 days of the start date of the contract. This tool is called the On The Job (OJT)/Work Experience (WEX) Local Monitoring Report.
3. LWIB File Monitoring should be completed 1 time after the end of the contract. This tool is called LWIB OJT File Monitoring.
5. An OJT contract may not be written with an employer or worksite that has previously demonstrated a “pattern of failure” as defined by the LWIB.
 1. Such failure may include failing to provide customers with wages, benefits, and working conditions that are equal to those provided to regular employees who have worked a similar length of time and are doing the same type of work.
6. The OJT contract includes the process of removing a worksite that has not met its agreed-upon requirements for the OJT or has exhibited a pattern of failure. The OJT contract determines the following:
 1. What constitutes an employer “exhibiting a pattern of failure”;
 2. Deficiencies or situations that occur within the work experience process;
 3. Corrective action interventions to be used; and
 4. Circumstances under which immediate termination of an agreement will occur.

OJT Documentation (Definitions can be seen above)

- a. Service Provider OJT Procedure and File Checklist
- b. Work Experience and OJT Pre-Award Survey
- c. OJT Contract
- d. Participant Orientation
- e. OJT Outline/Plan
- f. Universal Career Plan
- g. OJT Progress Report and Invoice (mm.dd.yy-mm.dd.yy)
 - a. Participant Time Sheets are included here in Section 4
 - b. A copy of the invoice/pay stub must be submitted each pay period. This shows the OJT Trainee was paid. It will need to accompany the OJT Progress Report and Invoice for reimbursement purposes. This invoice/pay stub should match Section 4 of the OJT Progress Report and Invoice.
- h. On The Job (OJT)-Work Experience (WEX) Local Monitoring Report
 - a. Initial Report is completed within 30 days of the start of the OJT
 - b. All other Reports are completed every 30 days (or less) for the duration of the contract.
- i. LWIA Request for OJT Increase

- a. As needed
- j. Final Cost Report
 - a. This will show the total hours worked and total amount paid and should come from the Service Provider Accounting Package.