

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

### EXECUTIVE SUMMARY

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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, and 680.730.
  - 20 CFR 683.260, 683.265, 683.270 and 683.275.

### BACKGROUND

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On-the-Job Training (OJT) is a training option that provides employers the opportunity to train new employees (trainees) in the specific knowledge or skills essential to the full and adequate performance of the job. The Monterey County Workforce Development Board (MCWDB) service providers' OJT PROGRAM staff will contract with employers to provide OJT opportunities for Workforce Innovation and Opportunity Act (WIOA) program participants. 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

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OJT is a hire-first program. The trainee begins their OJT as a full-time employee of the company that has agreed to provide 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 for 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. Participants are not eligible for the OJT program if they have previously participated or intend to participate in any other WIOA program services such as work experience, customized training or occupational skills training.

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. Participants must have a resume demonstrating that they have the experience and skill level to meet all requirements of an OJT opportunity.
2. Participants must have a WorkKeys Certificate at a level 3 or higher, unless the WorkKeys requirement for a specific program has been waived by MCWDB.
3. Participants must reside in the MCWDB's Service Delivery Area (Monterey County).
4. Participants must have an initial career advising session and an Individual Employment Plan (IEP).

### **WIOA Case Manager Responsibilities:**

1. Provide the participant with an initial career advising session.
2. Ensure that the participant has completed a WorkKeys assessment at level 3 or higher, unless the WorkKeys requirement for a specific program has been waived by MCWDB.
3. Provide comprehensive participant case notes in CalJOBS to ensure that sufficient documentation exists to support a future recommendation for OJT.
4. Ensure that the participant resides in Monterey County.
5. Complete and provide a participant's Work Ready Checklist to MCWDB Business Services for OJT Program staff to determine which OJT employer would provide the best fit to train a specific participant.
6. Once the participant starts training, check in each month with participant and enter appropriate CalJOBS activity codes and case notes to explain any additional services provided during the OJT.

### **Service Provider Staff Responsibilities:**

1. Evaluate the documentation provided by the WIOA case manager to ensure that the participant meets all the requirements for the OJT.
2. Meet with the participant for the initial interview and review of documents.
3. If an OJT program is appropriate for the participant, identify an employer who is interested in hiring the participant and obtain the job description for the position that the participant will be hired for.
4. Develop a Training Plan for the OJT with the employer to align with the participant's IEP, while cross-referencing the participant's resume and the job description.
5. Create the OJT agreement, and review and discuss the OJT training plan and OJT agreement with the employer and the participant.
6. Compile all forms in the OJT packet and submit the agreement for review of documents, case notes and IEP.
7. Submit the packet to MCWDB's fiscal unit for processing.
8. Upload OJT documents in CalJOBS and provide a copy to the employer.
9. Upload the OJT activity code and participant case notes in CalJOBS.
10. Once the participant starts training, check in monthly with the employer to gather feedback.
11. Obtain and review all OJT employer reimbursement documents, including:
  - OJT Training Invoice

- OJT Clarification of Hours
  - Progress Report Form
  - Timesheets
  - Employee paycheck stubs
12. Create and include the participant's OJT Completion Certificate with the final OJT invoice and enter the client's Measurable Skills Gain in CalJOBS for completion of the OJT.
  13. Compile all forms in the OJT invoice packet and submit the agreement via email to the Quality Assurance Manager, who will review the documentation, including case notes and IEP.
  14. Once Quality Assurance Manager approval has been obtained, collect signatures on the OJT Invoice and submit the OJT reimbursement packet to MCWDB's fiscal unit.
  15. Upload the OJT invoice into CalJOBS.

### **Participant Eligibility**

Participants 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.

### **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 \$8,000. Under special circumstances, training costs in excess of \$8,000 may be authorized by the WDB's Executive Director. Wages for OJT participants can be no less than \$16.50 per hour or the current minimum wage in California, whichever is higher.

### **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 participant's case file and the OJT employer file, described below.

Maximum OJT contract hours are 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).

### **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 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 participant'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 reflecting the work-related skills required for the position.

## **Participant Case File**

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

## **OJT 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 MCWDB 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 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 OJT employer's files.

## **ATTACHMENTS:**

- a) Work Ready Checklist

## **INQUIRIES**

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If you have questions, please contact staff at (831) 796-3505. This policy is posted on the WDB website located at: [www.montereycountywdb.org](http://www.montereycountywdb.org).

CHRISTOPHER DONNELLY, Executive Director  
Monterey County Workforce Development Board