



APPROVAL DATE: 7/14/10
APPROVED BY: Betty Baker, WIB Chair

**COUNTY OF SAN LUIS OBISPO
DEPARTMENT OF SOCIAL SERVICES**

POLICY NO: 21-08
TO: Service Providers
EFFECTIVE: July 15, 2010 (rev. September 8, 2010)
SUBJECT: On-The-Job Training (OJT) Policy

REFERENCES:

- Workforce Investment Act (WIA) Section 101(31), Section 134 (d) (4) (D) (ii)
- Workforce Investment Act (WIA) CFR 663.595 and 663.700-663.730

PURPOSE:

To define the parameters for using an on-the-job training option for WIA eligible participants.

BACKGROUND:

Through the effective use of OJT activities, eligible Workforce Investment Act (WIA) participants are afforded employment opportunities that provide occupational skills training while earning a sustainable income.

DEFINITIONS:

On-the-Job Training (OJT) means training by an employer in the public, private non-profit or private sector given to a WIA registered participant who, after comprehensive assessment, is provided to a paid participant while engaged in productive work in a job that:

- A. provides knowledge or skills essential to the full and adequate performance of the job;

- B. provides reimbursement to the employer of up to 50 percent of the wage rate of the participant, 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.

Specific Vocational Preparations (SVP): SVP is the amount of training time required by a typical worker to learn the techniques, acquire the information, and develop the competencies needed for the average performance in a specific job-worker situation. An SVP level is based on the job seekers applicable transferable skills and therefore the actual training period may be less than the SVP training period.

Eligible OJT Participant: A WIA client who has completed the comprehensive assessment process and received an appropriate Occupational Skills Profile that indicates the training activity will result in a successful outcome.

Employer of Record: An employer of record is the actual entity paying the wage. For example, an employment agency can be the employer of record if the WIA participant's wage is paid by the employment agency. For the purpose of federal reporting requirements, the *exact name* of the employer of record is required. If the employer of record is actually *doing business* as under another name, that name should also be identified.

POLICY:

On-the-Job Training (OJT) is provided under a contract with an employer in the public, private non-profit, or private sector. Through the OJT contract, occupational training is provided for the WIA participant in exchange for the reimbursement of up to 50 percent of the wage rate to compensate for the employer's extraordinary costs of training.

An OJT contract must be limited to the period of time described in the procedure below and based on Specific Vocational Preparation times and the previous experience of an individual.

PROCEDURE:

Employer Eligibility

Careful consideration should be given when selecting a suitable employer. General business practice in terms of working conditions (safety, health), presence of health benefits, 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 potential indicators to research.

OJT is a “*hire first*” program; the trainee becomes an employee of the company at the start of the training program, however it may not be someone already on the employer’s payroll, nor be hired prior to the effective date of the OJT contract. Training may begin after the OJT contract has been signed by all parties.

The employer is required to certify his/her intention to retain the trainee after the subsidized training period if the trainee accomplished the stated training goals outlined in the OJT contract.

OJT contracts require that the wages paid to trainees be at least the prevailing entry wage for any specific entry occupation in this 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, and accorded the same benefits as the 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 and receipts for services (if applicable) 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 compliance with all applicable federal, state, a local laws (including but not limited to health and safety laws), and be appropriate and reasonable regard to the type of work undertaken and the proficiency of the participant.

All employers are required to have a grievance process in place, and shall follow the grievance process in all matters related to the OJT trainee.

The OJT must be conducted at the employer’s place of business or another site, and may not be subcontracted.

Employment Agencies

The terms “employment agency” and “employee leasing agency” means an employer that provides regular, on-going employment, (not probationary, temporary or intermittent employment) in a specific occupation and, for a fee, places employees at the work site of another employer to perform work for such employer.

Employment and employee leasing agencies can meet eligibility for OJT agreements when the agreement specifies the location of training, qualifies as a responsible employer and that the leasing agency provides Federal ID information and an authorization to contract with site location employer as the recipient of training reimbursement funds.

PROHIBITIONS:

1. OJT contracts shall not be entered into with employers who have received payments under previous contracts and have exhibited a pattern of failing to provide OJT participants with continued long-term employment as regular employees with wages and employment benefits (including health benefits) and working conditions 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.
2. OJT contracts shall not be entered into with employers of a business or part of a business that has relocated from any location in the United States, until such company has operated at the new location for 120 days, if the relocation resulted in any employee losing her/his job at the original location
3. No funds provided to employers for OJT may be used to directly or indirectly assist, promote or deter union organizing.
4. No funds provided to employers for OJT may be used to employ the participant/trainee in a position involving political activities.
5. No funds provided to employers for OJT may be used in the employment or training of participants/trainees involved in the construction, operation, or maintenance of that part of a facility which is used for religious instruction or worship (sectarian activities).
6. In most cases, OJT is not considered to an appropriate training vehicle for youth participants under age 18. If a service provider chooses to utilize this vehicle, prior written authorization must be obtained from the San Luis Obispo County Department of Social Services (DSS).
7. Has hired an individual **prior** to the registration date of the WIA participant.
8. Is a relative of the OJT employer or participant.

9. Is an Employment Agency that provides only temporary or intermittent employment.
10. Has laid off a WIA participant and subsequently recalled or rehired the individual.
11. Will not provide a WIA participant with a Performance Review and Certificate of Completion.
12. Will not provide the required WIA-mandated wage gain or wage replacement upon a WIA participant's successful completion.
13. Cannot provide documentation of valid workers' compensation, general liability or auto insurance (if applicable) policy(ies).

OJT CONTRACT:

The OJT Training Plan must be written for skills that the trainee does not already possess.

Care must be given to check the trainee's work history, and to document that the new skills to be learned are different, more difficult, and/or unique to the new job, and are therefore necessary to perform the new job tasks.

All OJT contracts must meet established standards and minimum placement wage requirements. No individual OJT contract can exceed total a cost of \$6,000.00.

Waivers can be submitted on either minimum wage criteria or total cost of an OJT when special cases/situation warrants consideration through DSS.

Training positions for commission salespersons, bartenders, seasonal workers, occupations requiring licensing as a prerequisite for hiring, and for those employed on a piece-work basis are usually not appropriate for OJT.

The OJT agreement will provide that the employer will maintain and make available time and attendance, payroll, and other records to support amounts invoiced and reimbursed under OJT contracts.

Modifications to the OJT contract can be made as needed through mutual agreement of the employer and authorized service provider.

TOOLS:

Tools may be purchased for trainee in order to enter into an OJT program when:

- The tools are a specific requirement of the occupation to be trained in and will enhance the training potential of the trainee.

- The employer does not normally provide workers tools for new hires/incumbent.
- Trainee does not possess the tools to be purchased.
- Trainee can not participate in the OJT without the purchase of these tools.

Tools are the property of the One-Stop Operator during OJT training; and upon successful completion of the OJT, the tools purchased will become the property of the trainee.

A tool request will be submitted in accordance with Support Services Policy and Procedures. In addition, an itemized list of tools with unit price and total cost will be attached to appropriate authorization form as explained in the policy.

1. Tool request form completed by employer and trainee.
2. Itemized list of tools with unit price and total cost.

INVOICING:

Employers should prepare the OJT Contract Invoice and Trainee Timesheets at the end of each month to reflect activity during that month as the basis for reimbursement. The timesheets should reflect the total number of hours the trainee worked during the month.

The service provider will reimburse the employer only for hours spent on the job; holiday, sick time, or other absences are not reimbursed.

OVERSIGHT:

Service providers issuing the OJT agreement shall monitor the OJT employer and/or the entity performing the training at least one time during the term of the agreement.

The purpose of monitoring an OJT agreement is to:

- Ensure that the validity and propriety of amounts claimed for reimbursement are substantiated by payroll and time attendance records;
- Ensure that the training is being provided as specified in the agreement;
- Ensure that all parties are adhering to the contract provisions; and,
- Ensure that the WIA participant will acquire the industry recognized occupational skill, and that the employer will issue to the WIA participant a Performance Review and Certificate of Completion upon successful completion.

ACTION:

The Administrative Entity for the WIB and its service providers shall follow this policy. This policy will remain in effect from the date of issue until such time that a revision is required.

INQUIRIES:

Inquiries should be addressed to WIB Admin at wibadmin@co.slo.ca.us.

REVISION HISTORY:

<i>DATE</i>	<i>DETAILS</i>
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