



Montgomery County Workforce Investment Board

Policy: **On the Job Training Policy**

Effective Date: July 1, 2012

Policy Number: 2012-13

SUBJECT: On the Job Training Policy (OJT)

PURPOSE: On the job training (OJT) as allowed by the Workforce Investment Act is a viable training tool for eligible WIA participants. The purpose of this policy is to outline the parameters and provide direction for providing OJT to WIA enrolled adult and dislocated customers.

REFERENCES: WIA Section 101(31); Workforce Investment Act Final Rules, 20 CFR Part 652, Section § 663.700-710 and 667.268

DLLR Workforce Investment Field Instruction (WIFI) No. 05-10:

DLLR Workforce Investment Field Instruction (WIFI) No. 05-10 – Change 1

EFFECTIVE DATE: July 1, 2012

ACTION REQUIRED: Within 15 days of the receipt of this policy it is the recipient's responsibility to ensure all staff are informed of the policy and to create an internal process to ensure accountability.

POLICY:

Background

OJT activities are training services provided to eligible participants via an OJT agreement between the WIB Contractor and the employer. Such an agreement, along with the associated participant training plans, specifies the duration of training as well as the skills and competencies to be acquired by the participant. Employers who provide OJT are reimbursed for their extraordinary costs of training the participant based on a percent of trainee wages during the training period. The length of the training period depends on the funding source of the OJT, the complexity of the job, as well as the participant's skills and prior work experience. Employers must commit to hire and retain the participant at the end of a successful training period. In sum, OJT provides an incentive to employers to hire individuals and invest in their skill development, and trainees can earn a wage as they learn.

Payments made to employers are considered to be reimbursements for costs of training, including lower productivity, which are over and above normal training that

would be provided to non-WIA eligible new hires. The OJT contract is not a subsidy to employers for normal hiring and training. WIA funds must be used to offset the cost of training, not as payment for placements and/or wage subsidies

OJT Definition

WIA section 101(31) defines OJT as training by an employer that is provided to a paid participant while engaged in productive work in a job that:

- Provides knowledge or skills essential to the full and adequate performance of the job;
- Provides reimbursement to the employer of up to a 50% of the wage of the participant for the extraordinary costs of providing the training, and additional supervision related to the training; and
- 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

Requirements

A. Participant Eligibility

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

Before approving an OJT, the Workforce Investment Board (WIB) contractor will assess the potential participant to ensure suitability for the OJT. The assessment, at a minimum, shall include the occupation's particular skill requirements, the participant's academic and occupation skill level, prior work experience, level of job difficulty, and the participant's IEP (individual employment plan). The results of this assessment will be used, in part, to determine the appropriateness of and suitability for the OJT.

B. Referrals

For each OJT contract developed, the source of job applicant referrals can be the agency responsible for the development of the OJT subcontract, other partner agencies, or the employer. Employers will have the final selection authority for individuals to be hired. All trainees must meet eligibility criteria before training can begin. Reverse referral of potential OJT trainees by employers will be considered, but not automatically accepted into the OJT program. All OJT trainees must meet WIA participation requirements. OJT employers must agree to accept referrals and agree to interview other WIA applicants for the OJT in addition to the employer-referred participant.

C. Employer Eligibility

Potentially eligible employers able to participate in OJT contracting include: private-for-profit businesses, private non-profit organizations, and public sector employers.

Casinos or other gambling establishments, zoos, swimming pools, aquariums, or golf courses are considered ineligible for the OJT program.

Preference should be given to businesses located in Montgomery County. However, the employer providing the OJT and/or the OJT worksite does not have to be located within Montgomery County borders.

An employer will **not** be eligible to receive WIA OJT training reimbursements if:

- A) The employer has any other individual on layoff, involved in a work stoppage or on strike from the same or substantially equivalent position.
- B) The OJT would infringe upon the promotion of or displacement of any currently employed worker or a reduction in their hours.
- C) The same or a substantially equivalent position is open due to a hiring freeze.
- D) These funds would be used to assist in relocating establishments or parts thereof from one area to another unless it has been determined by the Secretary of the U.S. Department of Labor (USDOL) that such relocation will not result in an increase in unemployment in the area of original location or in any other area.
- E) The positions are for seasonal employment.
- F) The employer is a private for-profit employment agency, i.e. temporary employment agency, employee leasing firm or staffing agency.
- G) The position is not full time, i.e. minimum of 32 hours per week. For jobs less than 32 hours per week, the Case Manager's supervisor must approve the contract in writing, and such written approval shall be maintained in the participant's file. In no event shall an OJT contract be written for jobs which provide less than 25 hours per week.

In addition:

- 1) WIA OJT is not an entitlement program for employers. The decision to enter into an OJT contract with an employer is at the discretion of the WIB contractors. Employers who have a history of not continuing employment of WIA participants after the OJT contract is completed will not be considered for additional OJT contracts.
- 2) Reimbursements for on-the-job training are not intended to be wage subsidies to employers; rather they are intended for extraordinary costs of training WIA participants.
- 3) An on-site review must be conducted with the businesses. This review will allow staff to see where the OJT participant will be working, meet the trainee's supervisor, and gain a better understanding of the business' facility and operations. The purpose of

this visit is to determine whether the business will afford a viable On-the-Job training opportunity.

Disqualifying factors: Employers will be disqualified from participating in the OJT in the following situations:

- **Failure to retain:** The contractor acting on behalf of the WIB must not enter into an agreement with an employer who has previously exhibited a pattern of failing to provide OJT participants with continued long-term employment.
- **Failure to provide comparable working conditions:** The contractor acting on behalf of the WIB must not enter into an agreement with an employer who has previously exhibited a pattern of failing to provide OJT participants with working conditions including compensation that is comparable to other workers in the same situation.
- **Safe working conditions:** The employer must comply with all applicable federal, state, local laws and regulations related to providing safe and clean working conditions. OJT participants are not permitted to train or work in buildings or surroundings under working conditions that are unsanitary, hazardous, or dangerous to the trainee's health or safety.
- **Relocation:** If during completion of the employer information form, it is determined that a business has relocated and caused dislocation at the original location, OJTs may be available at the new location only after the business has commenced the relocated work for more than 120 days.
- **Layoff:** If the employer has laid off someone from a similar or "substantially equivalent" work, no OJT or other subsidized employment is permitted. If the overlap between the work (duties and job titles) is 80% or greater, the work is substantially equivalent. Note: refer to the OJT procedures manual for "layoff" definition.
- **Worker displacement:** Training positions covered may not have been created by the displacement of employed workers in the same or similar position, nor impair existing contracts for services, nor result in the substitution of federal funds for other funds in connection with work that would otherwise be performed. This includes partial displacement such as **reduction in the hours of non-overtime work, wages, or employment benefits**

D. Targeted Industries

Given the WIB's targeted industry sector approach designed to maximize impact on industries served, OJTs may only be written for training in occupations within the WIB's targeted industries. The WIB's targeted industries, which are based on criteria pertaining to high wage, high growth or high demand are:

- Business and Professional Services

- Healthcare
- Food Services (Hospitality).

E. Customer Service

It is expected that the Business Services staff of MontgomeryWorks will assist the employer in providing all the information and in filling out the required forms.

F. OJT Forms

The following forms must be completed. For more information, refer to the OJT procedures manual.

- OJT Requirements Checklist
- Employer Information Form
- OJT Agreement
- OJT Plan

G. Funding

WIA OJT payments (including retention payments when authorized) in excess of \$3,500 must be approved by the WIB Director.

H. Recordkeeping

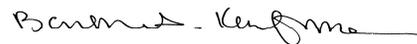
The following records should be maintained in the OJT participant/trainee's file:

- Verification of WIA Program Eligibility
- Completed OJT Monitoring Guide
- Objective Assessment Results (including work history)
- Individual Employment Plan (IEP)
- Correspondence/Case Notes
- Needs Assessment Form
- Certificate of Completion
- OJT Employer Information Form
- Copy of OJT Contract
- Copies of Monthly Time Record and Progress Report

Approved:

September 12, 2012

Date of Board Approval



Barbara Kaufmann, WIB Director