



OJT Policy – July 1, 2020
(replaces revision made on June 15, 2016)
Effective Date – July 1, 2020

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Workforce Solutions for North Central PA – North Central Workforce Development Board OJT Policies and Procedures

Please Note: While this OJT Policy covers all WIOA OJTs there may be exceptions when providing OJTs through other funding streams.

A. On-The-Job Training (OJT) Defined

(a) OJT is defined at WIOA sec. 3(44). OJT is provided under a contract with an employer or registered apprenticeship program sponsor in the public, private non-profit, or private sector. Through the OJT contract, occupational training is provided for the WIOA participant in exchange for the 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. In limited circumstances, as provided in WIOA sec. 134(c)(3)(h) and § 680.730, the reimbursement may be up to 75 percent of the wage rate of the participant.

(b) OJT contracts under WIOA title I, must not be entered into with an employer who has received payments under previous contracts under WIOA or WIA if the employer has 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.

(c) An OJT contract must be limited to the period of time 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, and the participant's IEP. § 680.710

OJT is designed primarily for the individual who does not have the related education, training or work experience to immediately qualify for the job. Employers receive a reimbursement of up to 50% of the trainee's wages **not to exceed \$6,000** to help offset the costs of training during a fixed training period of up to twenty-six (26) weeks. If the trainee was also awarded an ITA the total award for the ITA and OJT combined must not exceed \$9,000. At the successful completion of training, the employer is expected to retain the trainee as a regular full-time employee.

The North Central Workforce Development Board (WDB) will prioritize OJT's that provide eligible customers job opportunities in occupations that have been defined either as High-Priority Occupations (HPO's) or 'emerging' occupations as defined by the PA Department of Labor and Industry. The most current HPO list which is update each year will be used.

Additional information on HPO's can be found at:

<https://www.workstats.dli.pa.gov/Products/HPOs/Pages/default.aspx>

Additionally, the NCWDB will consider OJT opportunities in occupations that directly connect or support any of the Next Generation Partnerships within the North Central PA region, specifically, occupations in the Advanced Materials and Diversified Manufacturing and Healthcare industries.

B. Employer Eligibility

Any private-for-profit, private non-profit, or public sector employer not in violation of local, Commonwealth or Federal laws and/or regulations which prohibit its ability to contract, and who is in compliance with such entity's rules for lawful business operation, is a potentially eligible OJT contractor. Private sector employers will receive priority.

Employers who did not retain former OJT completers as regular employees at the end of the OJT period, without good cause, are ineligible to participate. It is the NCWDB's intention to give employers located in North Central priority; however, consideration will be given to other employers not located in the six county North Central PA region (Cameron, Clearfield, Elk, Jefferson, McKean and Potter).

All employers must register with the *Commonwealth Workforce Development System* and agree to utilize the system for advertising and listing all OJT opportunities. **A business folder and job order must be posted.**

No work-based training agreement will be authorized for any organization or part thereof that has relocated until 120 days after the date on which such organization begins operations at the new location if the relocation of such organization or part thereof results in a loss of employment for any employee of such organization at the original location.

C. Employer Referrals

Employers may refer individuals for OJT consideration under the following conditions:

- The prospective OJT trainee has not yet begun work.
- The prospective OJT trainee has been to the *PA CareerLink*® office, has completed the required core and intensive services **PRIOR** to the employer's call and has been determined eligible and appropriate for OJT by the *PA CareerLink*® staff.
- The prospective OJT trainee does not currently possess the occupational skills needed for the job and the *PA CareerLink*® centers assessment reveals that the prospective OJT trainee possesses the adequate job competencies and/or foundation skills necessary to enter into the OJT.
- The prospective OJT trainee has not formerly participated in the OJT program.

D. Contracting with North Central Workforce Development Board (WDB) Members

The North Central WDB provides oversight and sets policies for local WIOA programs. North Central recognizes that the members of its NCWDB hold significant management positions with their employers. As such, they may have decision-making authority on possible hiring. However, their ability to control the conditions of employment of individual employees may be diluted by the size of the employer. Therefore, the NCWDB believes that a conflict of interest does not exist, and WDB members' employers are eligible for OJT contracting. Individual WDB members however may not discuss or vote on their own employer's OJT contracts if they come before the board.

E. Trainee Eligibility

To be approved as an OJT trainee, an individual must meet the eligibility criteria of the Workforce Innovation and Opportunity Act (WIOA) for low income adults, dislocated workers and/or youth. Individuals must be determined eligible and appropriate for the OJT program at the *PA CareerLink® centers located in the North Central Workforce Development Area (WDA)*.

No participant hired under terms of a work-based training agreement may displace (including partial displacement) an employee currently employed (as of date of participation).

F. Trainee Referrals (PA CareerLink® Referral Form is attached)

Referrals for potential OJT participants can be made by a PA CareerLink® staff, CBO, etc. All referrals should be made to the Title I Provider Staff located in the PA CareerLink® centers located in the North Central WDA utilizing the PA CareerLink® Referral Form that is attached to this document.

G. Trainee Wages

OJT trainees must be assured of the following:

Wages paid to OJT trainees should be reasonable, considering industry, geographic location and trainee proficiency. Consideration should be given to 'prevailing wage rates' for occupations within the geographic location.

The minimum starting wage rate is to be:

- Starting OJT wage rate will be the same as that normally paid by the employer to other entry-level workers in the same occupation and at least \$10.00 per hour.

Exception: The only allowable exception to this \$10.00 requirement would be for State Registered Apprenticeship Programs. Companies with State Registered Apprenticeship Program who enroll the OJT participants upon hire as an apprentice would be approved at a lower

starting wage as there are required incremental wage increases in the Registered Apprenticeship agreement. The final wage at the end of the OJT would have to be \$10/hour.

Working Conditions

OJT trainees must be assured of and receive the following:

- Working conditions and promotional opportunities which are neither more nor less favorable than those experienced by other employees hired by the employer in similar positions.
- Workman's Compensation or comparable accident insurance coverage.
- Any and all other benefits to the same extent as those for other employees in similar positions.

H. Length of OJT Training

All occupations do not require lengthy training. The method for determining the length of OJT training is subject to approval by the Title I Provider and the North Central Workforce Development Board (NCWDB).

For each OJT position developed, an individual *Training Plan* must be created. The training plan which is required for all OJTs is attached in addition to instructions on how to complete the plan. *Training Plans* require employers to document the manner and timeline in which training will be provided. The following should be taken into consideration when determining the length of an OJT:

- OJT's will be developed for a time period of up to 26 weeks;
- Occupations which do not require extra-ordinary training will not be considered for OJT, unless they involve the training of customers with limited skill potential (e.g. learning disabilities);
- Length of OJT contracts will be reduced when the prospective employee has past experience in the proposed occupation. Documentation will be retained when this situation occurs.

I. Occupational Eligibility and Instances OJT May Not Be Approved

Following are instances in which OJT will not be approved:

- Seasonal, intermittent, part-time, or temporary jobs. Part-time is further defined as less than 30 hours per week).

- Occupations where commissions, piece rates and/or tips are the primary source of income.
- Occupations that involve political or religious activities, or support political or religious organizations.
- Occupations which would result in the displacement of any currently employed worker at that facility in the position for which the trainee is being hired for.
- Instances in which the employer hires and the trainee begin employment prior to the approval date of the OJT contract.
- Licensed occupations – specifically if the occupation requires a license and the trainee does not yet have the license.
- Former employees of the OJT employer unless they are being hired for a different position than previously held or receiving a promotion.
- With employers who have exhibited a pattern of failing to provide OJT Trainee’s with continued long term regular employment.

J. Labor Organizations

Appropriate labor organizations should be consulted in the design and conduct of OJT programs where collective bargaining agreements exist with the employer. The concurrence of the appropriate labor organizations must be obtained in writing when a collective bargaining agreement is applicable.

K. Reimbursements to the Employers - Training Reimbursement-

The OJT program will reimburse the employer 50% of the trainee's wage, not to exceed \$6,000 per trainee for pre-determined time period, to help offset the cost of training the individual to become a fully productive employee. The employer submits a monthly invoice to the Title I Provider

For those situations in which a trainee with prior or similar experience and/or training is referred to an OJT position, the *PA CareerLink*[®] staff will make a determination of appropriateness for OJT consideration, depending on the skill deficiencies identified through the assessment process. In such cases, a reduction in the maximum amount of training time allowed or maximum reimbursement to the employer will be made. Documentation will be retained on file for these situations.

L. Approval Process for OJT Contract

Once the Title I Provider has negotiated the contract provisions and defined the training to be provided, the same shall be reduced to writing for submission to the North Central WDB for final approval.

M. Instructions for OJT Employers

1. A monthly progress report shall be attached to the monthly invoice submitted to the North Central Workforce Operations.
2. The employer must maintain adequate payroll records, including OJT trainee signed time records. Time and attendance records must be signed by both the OJT Trainee and Employer Representative. Receipts must be maintained for cash payments made to participants.
3. All hours will be reimbursed at the wage rate and percentage on the contract.
4. Employers will be reimbursed based on trainee hours worked only. There are **no** reimbursements for: Paid Holidays, Vacation Days, Sick Days, etc.
5. Raises to OJT trainees are allowable during the contract period. A contract amendment may be needed in order to reimburse the higher wage rate. In all instances, individual OJT's will not exceed \$6,000.
6. OJT's cannot be executed with an employer that had similar employees in equivalent positions on a layoff status.
7. The employer will comply with The American with Disabilities Act (ADA).
8. The employer will comply with the Non-discrimination and Equal Opportunity provisions of the Workforce Development Act of 1998 and its regulations.
9. The employer will post the "Equal Opportunity is the Law" posters in English (i.e. WIA – 17) and Spanish (i.e. WIA -17S) and, the "Grievance and Hearing Procedures for the North Central Workforce Development Area." At the worksite in a conspicuous location.
10. If employees at the worksite are covered by a collective bargaining agreement, a Union Concurrence Sign-Off is necessary. The employer must maintain all records of OJT employees for a minimum of four (4) years after the contract expiration date. Records shall be retained and stored in a manner that will preserve their integrity and admissibility as evidence in any audit or other proceeding.
11. Job Descriptions and Training Outlines are required. These items will be made part of the OJT Contract.

12. Employers are required to submit Monthly Invoices for reimbursement. Monthly Invoices shall include a Monthly Progress Report (Attachment) with each invoice submission.

N. Training Plan (including Job Description) and Contract Modification *(Forms are attached)*

1. The Employer must provide a Training Outline which details the training plan and time frame for each OJT trainee. An OJT training plan template as well as training plan information and instructions has been developed and has been attached to this manual. The Training Plan need only address the elements of training that the OJT contract will reimburse for.

The training plan must include:

- Contact Information
 - Occupational Information
 - Job Description (if additional space is necessary – use additional paper)
 - Required Job Skills for Occupation
 - Training Information
 - Signatures of Trainee, Employer and OJT Provider
2. Contract Modification

A modification form must be submitted each time an OJT is modified. The Training Plan Modification form is attached to this manual. The modification form must include:

- Contact Information
- OJT, Modification and Training Plan Numbers
- Modification Description
- Signatures of Trainee, Employer and OJT Provider

O. Monthly Reporting / Progress Requirements (Monthly Report is attached)

The employer is required to submit a monthly report from, which describes the OJT trainee's progress. The OJT trainee is required to sign the form for verification of wages and hours and it is expected that the employer will make the trainee aware of their progress at that time. In the event a rating of less than satisfactory is reported, a PA CareerLink® staff person will schedule a visit to the worksite. This visit will include a discussion with both the employer and the trainee. A record of this visit and the result will be attached to the monthly report. A record of this visit will also be documented in CWDS.

P. Invoicing

The employer is required to submit a monthly invoice for reimbursement of training costs for a particular month within the contract period. Included with the invoice must be support documentation identifying the participant's hours worked in training on a daily basis. The invoice and copies of all support documentation must be submitted to the Title I Provider. An original invoice must be submitted. Supporting documentation may be scanned at the local PA CareerLink® office with copies e-mailed to the appropriate staff for processing or copies may be included with the original invoice. All original invoices and support documentation will be maintained by the Title I Provider.

Q. Case Management

Case management must be completed by PA CareerLink® staff utilizing the CWDS system. This is the only required system to be utilized. In addition to Case management including case notes for the OJT participant, the Business Service Representatives in each North Central PA CareerLink® must document case notes of visits with employers.

R. Performance and Fiscal Reporting

To ensure that the state is able to assess the success achieved under OJTs and other WDB Programs, data must be entered into the CDWS system in an accurate and timely manner for both financial and performance accountability. Reports will also be collected by the NCWDB prior to each NCWDB quarterly meeting and as requested.

S. Monitoring

The NCWDB, in compliance with applicable provisions of the Workforce Innovation and Opportunity Act (WIOA), will conduct ongoing oversight and monitoring of all OJT activities during the tenure of the contract. The employer shall cooperate during all phases of monitoring conducted by the NCWDB, State and / or Federal Authorities.

T. Marketing of the OJT Program

Included in the attachments to this document are several examples of how the OJT program can be marketed to both employers and training participants. The documents are examples only and will need to be revised to represent the NCWDB Policies and Procedures.

The documents include the following:

1. Seven examples of brochures, flyers, etc. that can be revised and copied for posting in the PA CareerLink® and other methods of distribution such as mass mailing, emailing, etc.
2. A sample of a Participant Referral Letter that can be revised and sent to a specific employer(s) when the PA CareerLink® has identified an OJT ready training participant.
3. Turning No into Yes – a document intended to prepare staff for conversations with potential employers about On-the-Job Training (OJT).

4. "How-To" discuss OJT to Employers and Job Seekers – a document intended to assist staff in discussions with both potential employers and job seekers.

All brochures, letters, etc must contain the following language:

*Auxiliary aids and services are available on request to individuals with disabilities.
Equal Opportunity Employer/Program*

Q and A from WIOA:

What are the requirements for on-the-job training contracts for employed workers?

OJT contracts may be written for eligible employed workers when:

- (a) The employee is not earning a self-sufficient wage or wages comparable to or higher than wages from previous employment, as determined by Local WDB policy;
- (b) The requirements in § 680.700 are met; and
- (c) The OJT relates to the introduction of new technologies, introduction to new production or service procedures, upgrading to new jobs that require additional skills, workplace literacy, or other appropriate purposes identified by the Local WDB. § 680.720

What conditions govern on-the-job training payments to employers?

- (a) OJT payments to employers are deemed to be compensation for the extraordinary costs associated with training participants and potentially lower productivity of the participants while in the OJT.
- (b) Employers may be reimbursed up to 50 percent of the wage rate of an OJT participant, and up to 75 percent using the criteria in § 680.730, for the extraordinary costs of providing the training and additional supervision related to the OJT.
- (c) Employers are not required to document such extraordinary costs. 1090 § 680.730

Under what conditions may a Governor or Local Workforce Development Board raise the on-the-job training reimbursement rate up to 75 percent of the wage rate?

- (a) The Governor may increase the reimbursement rate for OJT contracts funded through the statewide employment and training activities described in § 682.210 of this chapter up to 75 percent, and the Local WDB also may increase the reimbursement rate for OJT contracts described in § 680.320(a)(1) up to 75 percent, when taking into account the following factors:

- (1) The characteristics of the participants taking into consideration whether they are “individuals with barriers to employment,” as defined in WIOA sec. 3(24);
 - (2) The size of the employer, with an emphasis on small businesses;
 - (3) The quality of employer-provided training and advancement opportunities, for example if the OJT contract is for an in-demand occupation and will lead to an industry recognized credential; and
 - (4) Other factors the Governor or Local WDB may determine to be appropriate, which may include the number of employees participating, wage and benefit levels of the employees (both at present and after completion), and relation of the training to the competitiveness of the participant.
- (b) Governors or Local WDBs must document the factors used when deciding to increase the wage reimbursement levels above 50 percent up to 75 percent. § 680.740

How can on-the-job training funds be used to support placing participants into a registered apprenticeship program?

(a) OJT contracts may be entered into with registered apprenticeship program sponsors or participating employers in registered apprenticeship programs for the OJT portion of the registered apprenticeship program consistent with § 680.700. Depending on the length of the 1091 registered apprenticeship and State and local OJT policies, these funds may cover some or all of the registered apprenticeship training. (b) If the apprentice is unemployed at the time of participation, the OJT must be conducted as described in § 680.700. If the apprentice is employed at the time of participation, the OJT must be conducted as described in § 680.710. § 680.750

ATTACHMENTS to the North Central Workforce Development Board OJT Policies and Procedures Manual

- A. NCWDB 2020 High Priority Occupation List
- B. PA CareerLink® Referral Form
- C. Training Plan with Instructions
- D. OJT Company Contract
- E. Contract Modification
- F. Monthly Reporting Form
- G. OJT Reimbursement Form
- H. Marketing and Technical Assistance Materials