


<b>Northeastern Workforce Development Board (NWDB)</b> <b>General Policies and Procedures</b> <b>ON-THE-JOB-TRAINING (OJT) POLICY</b>	
<b>Policy 005</b>	<b>EFFECTIVE DATE: 8/15/2016</b> <i>Revised:</i>
<b>Approved by: NWDB - Executive Director</b>	

**PURPOSE:** To establish policy and procedures for On-The-Job Training Program Activities.

**BACKGROUND:** The Northeastern Workforce Development Board recognizes that On-The-Job Training activities support the development of the comprehensive workforce development system envisioned under WIOA and Maine’s workforce development vision, by providing additional training options for both employers and employee customers. With this in mind, NWDB establishes the following policy with clarifying definition.

**DEFINITIONS:** The term “On-The-Job Training” (OJT) means training by an employer that is provided to a paid employee engaged in productive work that provides knowledge or skills essential to the full and adequate performance of the job. OJT is provided under a contract with an employer in the public, private non-profit sector.

An OJT may be a more appropriate training option for the customer who financially must return to work and demonstrates the interests and ability to learn new job skills in a hands-on fashion. Initially, OJT planning requires significant interaction by the WIOA Staff, the customer and the target employer to research the needed job skills, abilities and knowledge relevant to a particular job. This research is critical to determine the potential to use OJT as a job skill development option. The information gathered through this research allows the WIOA Staff to compare the customers’ existing work skills with those required by a specific employer, to establish the expected Specific Vocational Preparation (SVP) time required to learn the job skills. Based upon this preliminary research the WIOA Staff will propose the job and on-the-job training details to the Director/Manager of Workforce Development for initial approval to continue with OJT contract development and to finalize the individual’s basic and/or training plan and draft the contract (See attached OJT contract form).

NWDB’s Service Provider(s) only sponsors OJT agreements with employers who are willing and able to provide the necessary supervision and skill development opportunity to the customer and, who guarantee to employ the customer upon the completion of the contract period. Cost estimating the OJT contract requires investigation and documentation of the Specific Vocational Preparation (SVP) time according to the Department of Labor. This, in alignment with the starting wage of the occupation, the number of hours per week, and the individual customer’s skill’s gap will dictate the length and cost of the OJT and contract. OJT’s should not exceed a maximum of six months.

Once the OJT contract is approved and signed by the NWDB's Service Provider(s) Director/Manager of Workforce Development, their Finance Department will establish an OJT account number and provide the employer a copy of the contract which outlines the terms of the agreement, the reimbursement process and monitoring requirements.

### **General OJT Guidelines**

On-the-Job Training (OJT) may be provided to WIOA-eligible unemployed workers and to incumbent workers. WIOA-eligible individuals are enrolled in OJT as appropriately based on their individual employment plans. An individual who is fully skilled in an occupation shall not be placed in an OJT in that occupation. Such training may be approved only if NWDB's Service Provider(s) determine that:

- a) No currently employed individual is displaced by such eligible worker, including partial displacement such as a reduction in the hours of non-overtime work, wages, or employment benefits;
- b) Such training does not impair existing contracts for services or collective bargaining agreements;
- c) In the case of training that would be inconsistent with the terms of a collective bargaining agreement, written concurrence has been obtained from the concerned labor organization.
- d) No other individual is on layoff from the same or any substantially equivalent job for which such eligible worker is being trained;
- e) The employer has not terminated the employment of any regular employee or otherwise reduced the work force with the intention of filling the vacancy so created by hiring the eligible worker;
- f) The job for which the eligible worker is being trained is not being created in a promotional line that will infringe in any way upon the promotional opportunities of currently employed individuals;
- g) Such training is not for the same occupation from which the worker was separated and with respect to which such worker's group was certified pursuant to section 222 of the Trade Act of 1974;
- h) The employer certifies to NWDB's Service Provider(s) that the employer will continue to employ the eligible worker for at least 26 weeks after completing the training if the worker desires to continue such employment and the employer does not have due cause to terminate such employment;
- i) The employer has not received payment for any other OJT training provided by such employer which failed to meet the requirements of paragraphs a through f of this section or such other Federal law; and
- j) The employer has not taken, at any time, any action that violated the terms of any certification described in paragraph i of this section made by the employer with respect to any other on-the-job training provided by the employer for which the employer has received a payment.

## **Incumbent workers**

OJT contracts may be written for employed workers when the employee is not earning a self-sufficient wage as determined by NWDB policy, the requirements of this document are met, and 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 NWDB.

## **Employer Guidelines**

Providers of OJT are not subject to the requirements for Eligible Training Providers found in WIOA sec.122 (a) through (e). However, NWDB'S Service Provider(s) is responsible for collecting performance information from OJT providers as the Governor may require (WIA sec.122 (h)). Key considerations, among other requirements include:

- Contracts must not be written with employers who 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.
- 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. NWDB'S Service Provider(s) will not write an OJT contract for less than four (4) weeks or to exceed twenty-six (26) weeks.
- Contracts cannot be written for occupations with an SVP of 2 or lower, or for occupations that pay less than 150% of the applicable minimum wage unless the limitations of the individual trainee makes such training reasonable and appropriate, and these limitations are documented in the individual's training plan.
- The max OJT can be \$20.26 of \$10.13 reimbursement. This is for all WIOA programs.

Consideration should be given to information from the employer; the Specific Vocational Preparation (SVP) information found on O\*NET on the Snapshot screen for each occupation, including skill requirements of the occupation; the academic and occupational skill level of the participant; the company manual describing the required position competencies; prior work experience and the participant's individual employment plan.

## **Employer Payments**

OJT payments to employers are deemed to be compensation for the extraordinary costs associated with training participants, additional supervision related to the training and the costs associated with the lower productivity of the participants, although employers are not required to document such extraordinary costs.

NWDB established guidelines for setting the reimbursement rate, limits reimbursement up to 50% of the wage rate of an OJT participant. Funds provided to employers for OJT must not be used to directly or indirectly assist, promote or deter union organizing.

### **Contracts**

Service Providers are encouraged to develop OJT contracts that specify the occupation(s) for which training is to be provided, the duration, the number of participants to be trained in each occupation, wage rates, reimbursement rate, maximum amount of reimbursement, a job description or training outline of what the participant will learn, and any other separate classroom training that may be provided. The contract needs to have a provision that the employer will maintain and make available time and attendance, payroll and other records to support amounts reimbursed under OJT contracts. Costs for classroom or other additional training may be included in the OJT contract in addition to wage reimbursement if the classroom training is related to the occupation and necessary for adequate performance of the occupation.

Periodic monitoring of OJT jobsites will be conducted by NWDB's Service Provider(s) designated workforce representative in order to ensure the validity and propriety of amounts claimed for reimbursement and that training is being provided as specified in the contract.

### **Labor Standards**

Training provided must be in accordance with WIA sec. 667.270 for non-displacement assurances, WIA sec.667.272 for wage and labor standards, WIA sec.667.274 (a) and (b)(1) for health and safety standards, and WIA sec.667.275 for nondiscrimination and equal opportunity assurances. Participants must receive the same benefits and have the same working conditions as similarly employed workers.