



CUMBERLAND COUNTY
WORKFORCE DEVELOPMENT BOARD

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Policy Letter #15

TO: All Staff and OJT Contractors

FROM: Nedra Clayborne Rodriguez, Director

SUBJECT: On-the-Job Training Policy

PURPOSE

The Cumberland County Career Center operates On-the-Job Training (OJT) services through its contractor for the Young Adult, Adult, and Dislocated Worker Programs.

PROCEDURE

The Cumberland County NCWorks Career Center incorporates the policies, procedures, and contract forms issued by the North Carolina Department of Commerce, Division of Workforce Solutions (DWS) in Policy Statement Number PS 04-2015, dated July 8, 2015. The Policy Statement can be viewed at <http://www.nccommerce.com>.

General Provisions

An On-the-Job Training (OJT) is provided by an employer to a paid participant engaged in productive work and enrolled in the Workforce Innovation and Opportunity Act (WIOA) Title I Adult, Dislocated Worker, TAA or the Young Adult program. An OJT provides knowledge or skills essential to the full and adequate performance of the job and may be completed in conjunction or sequenced with other services.

On-the Job Training (OJT) are limited contracts to the time required for the employee to become proficient in his/her job, and *not to exceed six months*. The Local Workforce Development Board Policies has addressed the nine elements of OJT as mentioned in DWS PS 04-2015; listed below.

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

OJT Contract Elements

- 1) Outreach and recruitment of OJT participants
- 2) Skills gap analysis and Training Plan development
- 3) Employer marketing strategies
- 4) Reverse referral policy
- 5) OJT supportive services policy
- 6) OJT contract development
- 7) Coordination of case management and business services functions
- 8) Reimbursement policy and invoicing process
- 9) Financial and programmatic monitoring

Youth Priority

Twenty percent of a state's total WIOA Youth allotment after subtracting the administrative costs must be spent on work experiences for In-School and Out-of-School Young Adults. OJTs are considered a type of a Youth Work Experience. This 20 percent may include staff time utilized to develop or manage a Work Experience as identified in the Young Adult Policy.

If staff are providing case management for a non-WIOA funded service (e.g., Vocational Rehabilitation-funded work experience), it is appropriate to enter this service into NCWorks and charge time to the Young Adult Work Experience time codes.

Participant Eligibility

The participant must meet certain WIOA eligibility criteria before training can begin to demonstrate a need for training as recorded on the Individual Employment Plan (IEP). On-the-Job Training (OJT) is a wage reimbursement incentive that may provide help to offset the cost of training for new employees with limited skills.

A job service office may accept referrals from employers for consideration of a specific individual for an OJT if this individual meets program eligibility. WIOA Title I Adult and Dislocated Worker participants must meet training eligibility as identified in the Training Services. WIOA Youth participants are eligible for an OJT if it is identified as an appropriate service in the Employment Plan.

Employed Worker OJT Eligibility

OJTs may be entered into with eligible employed workers when:

1. The employee is not earning a self-sufficient wage or wages comparable to or higher than wages from previous employment, in accordance to state policy.
2. The requirements listed above are met; and
3. The OJT relates to the introduction of new technologies, introduction to new production or service procedures, upgrading to new jobs that require additional skills, or workplace literacy.

Employment Eligibility

OJT contracts may be entered into with private-for-profit businesses, private non-profit organizations, and public sector employers prior to a participant starting the new job. Employers receiving OJTs are exempt from the Eligible Training Provider List requirements.

With successful completion, it is expected the employer will retain the participant after the training period.

Under WIOA Title I, OJTs *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 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.

Registered Apprenticeships

OJT agreements may be entered into with Registered Apprenticeship program sponsors or participating employers in Registered Apprenticeship programs for the training portion of the Registered Apprenticeship as in accordance to the requirements of this policy.

Occupation Eligibility

Occupations based on commission or piece rate as the primary compensation or seasonal in nature are not appropriate for OJT. The intent of the OJT program is to assist workers in developing skills leading to occupations providing adequate wages that ensure self-sufficiency. For this reason, OJTs are typically written for occupations with higher skills categories. OJTs may be written for full-time or part-time hours.

Length of Training

An OJT program is not intended for long-term continued training within the occupation. 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, the participant's individual employment plan and local office budgets. Actual training hours will be negotiated between the employer, participant and Employment Specialist. All determinations must be documented.

The resulting gap in skills will be the basis for the development of the Training Plan. The Specific Vocational Preparation (SVP) data found in the database for that particular occupation will be used and adjusted to determine the length of training necessary to acquire the needed skills. The specific types and sources of information used to identify the scope of the skills gap must be approved by the included in the participant's case file.

There are a number of assessment tools available that may be used to conduct skill gap analysis and provide adequate documentation of the process used to develop the Training Plan. The Assessment Tool must be approved by the Director of the Local Workforce Development Board.

The unit of measure for OJT is 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).

Specific Vocational Preparation (SVP) codes are used to calculate the maximum length of time allowable.

Occupation specific SVP codes can be found at onetonline.org.

| SVP CODE | Maximum Training Hours |
|----------|------------------------|
| 2 | 160 |
| 3 | 320 |
| 4 | 480 |
| 5 | 640 |
| 6 | 800 |
| 7 | 960 |
| 8 | 1040 |
| 9 | Director's Approval |

Wages and Benefits

The OJT trainee is an employee of the approved OJT employer. The employer is responsible for payment of wages and benefits to the trainee. The employer must provide on-the-job training participants with continued long-term employment or wages, benefits and working conditions that are equal to those provided to similarly situated employees.

WIOA funds are not to be utilized for holidays, sick leave, and vacation or overtime hours. Employers will be expected to compensate the trainee for such hours equal to other similarly situated employees and in accordance to state and federal labor law for any overtime hours worked.

If a participant is completing activities that are beyond the scope of the Training Plan, it is the responsibility of the employer to pay these wages in full.

Wage Rate Calculations:

- In cases where the OJT is for a salaried position, an hourly rate of pay should be calculated for reimbursement purposes by taking the gross monthly salary, multiplied by 12 then divided by 2080 hours (e.g. \$2,600 x 12 = \$31,200/2080 = \$15). **NOTE:** *With salaried positions, be sure that paid time off (i.e. vacation, sick, holiday, PTO) is accounted for on the OJT Voucher and not reimbursed.*
- In cases where the trainee may receive two different rates of pay (e.g. regular rate and shift differential for evening/weekend hours), use the higher wage rate for the total duration to calculate the amount. Extra funds will be de-obligated at the end of the OJT.

Time Records

The employer must have a method to track the employee's time in conjunction with the On-the-Job Training Timecard. This record of employment and time must be kept for three years. When completing a monitoring review, confirm the employer hour-tracking matches the completed OJT Timecard.

Payments to Employers

Employers may be reimbursed the wage rate of an OJT participant. 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. Employers are not required to document such extraordinary costs. The wages of incumbent employees during their participation in the OJT is not allowed as an expense under WIOA Title I. Payment will be released upon completion

of the training hours and submission of the OJT payment voucher with all required documentation should be submitted to the Contractor (“Fiscal”).

The reimbursement incentive varies depending on the size of the company:

- Up to 50 percent for employers with 251 or more employees; or
- Up to 75 percent for employers with 250 employers or less employees; contingent on the local board authorization.

Documentation

All justifications related to the OJT must be documented in an NCWorks Online case note. The case note should include the process to determine the participant need, recommendations from the Business Service Representative, wage rate and the number of hours based from the O*Net SVP code.

Complete the Work-Based Learning Training Plan Agreement, then scan into NCWorks to complete the Obligation Voucher. Ensure all required documentation is complete, legible, and uploaded with (linked) the Obligation Voucher in NCWorks. Include a summary and date in the comment box on the Obligation Voucher.

All documentation required for monitoring and time records should be uploaded at the time of the Payment Voucher request. ***The OJT Timecard must be uploaded (linked) to the Payment Voucher.***

The approving manager is responsible for ensuring all documentation is uploaded, correct, and legible before authorizing Obligation and Payment vouchers.

Signatures

There must be two signatures from the employer on the Training Plan Agreement. One of the signatures on the Training Plan Agreement must match the signatory on the OJT Timecard certifying the information is correct and is reflective of the employer records, including hours worked and wages paid.

Signatures may not always be the employer, but a qualified person in the employer’s office, as long as it matches one of the Business Representative signatures on the Training Plan Agreement.

Monitoring

Monitoring must be completed for any type of training that is beyond 30 days using the Work-Based Training Plan Agreement and Monitoring Tool used for OJT. To ensure the program of training is meeting the needs of the participant, the expectation of the training provider and the items outlined in the training plan, the Business Service Representative is required to monitor the training service on a monthly basis. The purpose is to evaluate the progress to date and to identify issues that may be a concern to any party to ensure a successful training.

The initial monitor should be an Integrated Resource Team (IRT) with the Business Service Representative, employer and participant in person or by phone with all parties in attendance. Additional monthly monitoring’s can be completed by phone, email, or in-person as appropriate. A Work-Based Training Monitor form must be completed and uploaded into NCWorks with case notes. All correspondence and verifications must be documented in NCWorks.

MODIFICATION

Generally there are three types of modifications for OJT that may be necessary to continue OJT services in the following ways:

Change in Duration of Training

- *Extending Training:* If for some reason the training was not able to occur (e.g., time off for health, etc.), the Projected End Date on the General Information tab can be extended to allow for the additional time to complete the training.
- *Reducing Training:* If the duration is shorter than originally planned or the hourly rate decreases, the original obligation will cover the costs. The correct number of hours or rate is used in completing the payment request. The extra funds will be de-obligated and returned to your budget.

Additional Hours Needed

- If additional hours are needed for the training, the original training agreement can be completed. Collect a timecard for the original agreement and enter a payment for the original obligation. In the meantime, modify the training agreement and determine the additional hours needed. Add the additional hours on the Enrollment Cost tab, modify the Enrollment Budget for the additional funds, and add a new Obligation for the additional funds. The file will contain an Agreement and Training Plan for the original hours with a matching payment. The file will then show the modification to the Training Plan uploaded to the new Obligation.

Hourly Rate Increases/Decreases

- If the hourly rate increases, an OJT Timecard would be uploaded to a payment request for the training hours completed at the original hourly rate; when the payment has been made, the original OJT will need to close. In the meantime, modify the Training Agreement showing the new hourly rate for the designated hours. A new OJT entry will be entered reflecting the training hours at the new hourly rate.
- If the duration is shorter than originally planned or the hourly rate decreases, the original obligation will cover the costs. The correct number of hours or rate is used in completing the payment request. The extra funds will be de-obligated and returned to your budget.

Add a case note in NCWorks regarding the changes.

Creation Date

July 2003

Revised Date

May 2019