

Appendix C



ON-THE-JOB TRAINING PROGRAM POLICY & PROCEDURES

Approval Date for City of Cleveland and Cuyahoga County WIB Executive Committee: 8/19/11

Background

The On-the-Job Training (OJT) Program is administered by Employment Connection (EC) under the authorization of the Workforce Investment Act (WIA) of 1998. The purpose of the OJT program is to help area businesses become more competitive by assisting with the extraordinary costs associated with training new employees.

The OJT Program has two goals. First, it seeks to strengthen the local economy by insuring that area businesses have the skilled employees they need to compete, grow and create more good-paying jobs. Secondly, it strives to provide a practical, cost-effective way for area workers to acquire the skills they need to increase their earnings and achieve economic self-sufficiency.

The term OJT means training by an employer that is provided to a paid trainee while engaged in a productive 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% of the wage rate of the trainee, for the extraordinary costs of providing the training and additional supervision related to the training (see exception in Limitations section); and
- c. is limited in duration as appropriate to the occupation for which the trainee is being trained, taking into account the content of the training, the prior work experience of the trainee, and the service strategy of the trainee.

The term trainee means an individual who has been determined to be eligible to participate in and who is receiving WIA services. For an individual to qualify for OJT under the WIA guidelines, he/she must be lacking in the necessary skills needed to obtain employment with that specific employer. The need for an OJT should also be identified in the Individual Plan for Employment (IPE).

Employer Guidelines

A. Employer Eligibility:

Contracts can be written with employers from public, private non-profit or private for-profit business sectors. A contract can be developed between an employer and Employment Connection whereby occupational on-the-job training is provided to a WIA participant in exchange for reimbursement of up to 50% of the employee's wage rate (WIA 101(31)).

Any employer is eligible to participate in the OJT Program who:

- provides trainee with a competency or skill that is recognized by area employers or the industry,
- is a business in good standing with the State of Ohio,
- states intention to retain the trainee following the OJT contract period,
- is willing to abide by the terms and conditions stipulated in this document, and
- signs the general Memorandum of Understanding and OJT Contract.

An OJT contract will not be written with an employer who has previously exhibited a pattern of failing to provide OJT trainees with continued long-term employment with wages, benefits, and working conditions equal to those of regular employees.

An employer will not be eligible to receive OJT contracts if:

The employer has any other individual on layoff for that position or, for a position which will deny a current worker promotional opportunities;

The employer will use the funds to displace currently employed workers or to reduce the hours of those employed workers below their normal work schedule;

The positions are temporary in nature or are for seasonal employment;

The employer is an employment agency; and

The position is not full time (minimum of 32 hours per week).

Employer Application & Selection Process

Employer will provide a detailed training curriculum/outline and/or work with EC staff to:

- a) identify all the skills that a worker must possess in order to satisfactorily perform the job(s) identified by the employer, (The Dictionary of Occupational Titles (DOT) can be used as a reference for further job specifications when the employer does not or is unable to provide this level of information.)
- b) determine the amount of time that an untrained worker should need to learn each skill.

The potential OJT employer must complete an Employer Checklist form providing company information to help determine if the employer is eligible to participate in the OJT program.

Once a trainee has been identified, EC staff and the employer will compare the trainee's skills to those deemed necessary by the employer. A training plan will be developed. The plan will identify what skills need to be learned and the total hours of training necessary.

Contract Specifics

All OJT's must be negotiated to be trainee-specific and with the goal to secure permanent full-time employment for the trainee.

It shall be the policy of Employment Connection to provide OJT in demand occupations (in accordance with the Demand Occupation Policy) and job retention is expected upon the trainee's successful completion of the training.

The length of an OJT Contract and the training period for which it is written is based on the amount of time that the trainee needs to learn the skills identified in the contract, and the availability of funds. An extension of the training/contract period that does not increase the dollar value of the contract can be authorized if the training is interrupted for more than a week (e.g. due to trainee or instructor illness, strike, etc.) and Employment Connection, prior to the expiration of the original contract, receives a written request for extension.

The contract must specify the type and duration of training, the wage rate and reimbursement rate for training, a trainee training plan, etc.

Contract training jobs should be for no less than 32 hours per week at no less than \$10 per hour. Exceptions may be reviewed on a case-by-case basis and would require approval from the Executive Director or his/her designee.

Union concurrence is required in certain cases. The Employment Connection's designated representative is to obtain concurrence in writing in any case where there is a union in the work place. Failure to secure the concurrence may void the OJT and prohibit further OJT Contracts with such an employer. OJT training agreements will not be written with employers who are currently involved in a labor dispute.

Contract modification requests that increase the dollar value of an existing contract will be considered on a case-by-case basis but only when requested in writing prior to the expiration of the original contract.

Additional factors affecting award of OJT contracts:

Award of an OJT contract is based on availability of WIA funds.

The OJT training occupation must not involve payment of commission wages as the primary source of wage payments to the OJT employee/trainee.

The OJT training occupation must not involve political or religious activity.

The training occupation should have career advancement potential and must be in accord with the trainee's IPE.

The occupation must be one in which specific occupational training is a prerequisite for employment or upgrade in employment.

Training in occupations requiring a license to perform certain work shall not be allowed unless the OJT contractor/employer certifies that it is the firm's intention to continue employment and further occupational training for the OJT employee specified until all license requirements are met.

The OJT training employer must comply with all applicable health and safety policies and standards required by Federal and State law.

No business owner may hire a member of that person's immediate household to train under the OJT program. Scrutiny will be given to situations in which an individual related to the employer is considered as a trainee under OJT.

The OJT employer must certify that neither the employing company nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or excluded from participation in the OJT Program by any Federal Department or Agency.

Trainee Guidelines

Trainee Eligibility

Applicants for OJT training must have been determined eligible for WIA training services in accordance with requirements specified in Section 663.105 and 663.120 of the Rules and Regulations of the Workforce Investment Act of 1998.

Trainee must register for services through the Employment Connection system and provide required eligibility documentation.

Once registered and deemed eligible for WIA services, trainee must have received at least one core service and one intensive service.

After comprehensive assessment, an Individual Plan for Employment (IPE) must be developed by Employment Connection's designated staff documenting the trainee's need for training.

OJT contracts may be written for eligible employed workers when: (A) The employee is not earning a self-sufficient wage as determined by the Workforce Investment Board's self-sufficiency policy and (B) The OJT must be related to the introduction of new technologies, the 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 Workforce Investment Board.

Referral to OJT Position

The referral of the trainee to an employer for an interview shall occur when Employment Connection's designated representative has determined that the trainee will benefit from OJT and has identified suitable OJT opportunities for the trainee from existing job orders with approved employers. Job development activities with approved employers should be performed for those trainees planning to enter OJT in the absence of suitable job openings.

Prior work experience and the trainee's IPE will be used to determine the length of contract period [authorized by Employment Connection](#). [The training contract must be written for skills the trainee does not currently possess; the training plan must document that the new skills to be learned are different from, with greater difficulty than, and/or unique to the new job and are therefore necessary to perform the new job tasks.](#)

[Reverse referral of potential trainees to Employment Connection by employers as candidates for OJT will be accepted by Employment Connection if trainees so referred are determined eligible for OJT, have prior participation in WIA Core and Intensive Services, are fully assessed, are exposed to other services as appropriate, and if the resulting IPE supports OJT training. In addition, the OJT employer must agree to accept referral of and interview other suitable trainees for the OJT job vacancy. For every trainee an Employer hires by reverse referral, the Employer must then agree to accept a trainee referred from Employment Connection for subsequent OJT needs.](#)

OJT Trainee Limits

No trainee shall be placed on more than two on-the-job training situations within a given program year. The second one is permissible

only with prior approval from the Director of Workforce Development. The reason for requesting the second OJT must be specifically documented (i.e. laid-off, fired, inappropriate job training match, company closes, etc.). Each situation will be determined on a case-by-case basis.

In cases where two OJT's have been offered and were unsuccessful, it is presumed that OJT is not the appropriate training for the individual. If one or two OJT's have been completed and the individual is not retained and is seeking work, it is presumed that he/she may not be the most in need or most likely to benefit from the services as measured against the client pool of eligible applicants for OJT.

Contractual/Payment Provision

Invoicing

The employer must invoice on an Employment Connection approved invoice form that identifies total hours worked during the invoice period.

The employer can invoice for only those hours within the OJT Contract period.

Wage Reimbursement

Trainee wage reimbursement is based on the trainee's wage for actual hours worked up to a maximum of forty hours per week. Overtime hours, bonuses or commissions will not be reimbursed. Wages paid for time not worked will not be reimbursed (sick pay, holidays, vacations). In the event of a wage increase, the contract reimbursement rate may be increased upon approval by Employment Connection.

Trainee wages are not reimbursable on days when the trainee is absent (whether paid or unpaid, approved or unapproved) or when training does not take place for other reasons (e.g. because of instructor absence, holiday, etc.). The employer is solely responsible for insuring that Employment Connection is not invoiced on such occasion.

OJT Limitations

- A. *The maximum OJT amount authorized per trainee is \$5,000.00 (See VI Policy Exceptions)*
- B. The maximum reimbursement rate to the employer is 50% of the wage rate of the trainee. However a waiver to the limit may be made to small employers as noted in item C below.

- C. Waiver of the 50% maximum reimbursement rate to employers may be made to small employers. Under the waiver the following reimbursement amounts may be permitted:
- 1) Up to 90% wage rate reimbursement for employers with 50 or fewer employees; and
 - 2) Up to 75% wage rate reimbursement for employers with 51 – 250 employees.

In order for small employers to be considered for the higher reimbursement percentage, the trainee must not be a reverse referral from an employer. The trainee must be an active participant in the EC system.

POLICY EXCEPTION

Exceptions to the OJT policy may be presented in writing to the Director of Workforce Development or designee for either the City of Cleveland or Cuyahoga County. The exceptions must be for local requirements (i.e. maximum OJT amount, reverse referrals of OJT trainees limitation) and must not be in violation of federal or state requirements. Exceptions may be granted based on the funding source, trainee wage rate, employers efforts to hire Employment Connection referred job seekers and the technical training requirements of the job.

Implementation Date: 9/1/11