

Northwest Workforce Council

POLICY AND PROCEDURE DIRECTIVE

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SUBJECT: ON-THE-JOB (OJT) AND CUSTOMIZED TRAINING POLICY and STAFF MANUAL

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I. POLICY INTRODUCTION AND OVERVIEW TO OJT:

The Northwest Workforce Council (NWC) operates a comprehensive training and employment program that utilizes most activities authorized under the Workforce Innovation and Opportunity (WIOA) to systematically develop the employability of eligible young adults dislocated workers and adults and when appropriate to place them into jobs. On-the-Job Training (OJT), when properly implemented, serves this dual purpose very effectively since a trainee is hired into a job or upgraded and is then trained in the requisite skills.

This Policy and manual provides guidelines to be used in the provision of On-the-Job Training (OJT), pursuant to the requirements of the Workforce Innovation and Opportunity Act (WIOA), Department of Labor Regulations (DOL), Washington State Directives, and NWC policy.

This manual provides further guidance for staff in the development, negotiation, implementation, and monitoring of On-the-Job Training contracts. It incorporates, references and provides more detail on the relevant requirements detailed in the policy, and is meant to assist staff in fully understanding this valuable work based training service.

II. THE FUNDAMENTALS OF OJT AND CUSTOMIZED TRAINING

A. OJT

The basic purpose of On-the-Job Training is to allow an employer to hire an individual or upgrade an eligible employed worker (incumbent worker) who would not otherwise qualify for the job and to teach them the skills needed to perform at the entry level or at the next level. The activity is based upon a contractual exchange between the employer and the NWC. The NWC provides the employer with a partial wage reimbursement for an agreed-upon training time period in exchange for the provision of training by the employer and a commitment to retain the individual if the training is successfully completed and the OJT employee is retained. This commitment is enforced by the “pattern of failure” requirements specified in Section VI.C.

OJT is a hire-first program. The trainee is actually an employee of the company that has agreed to provide the training. It is very important that everyone involved understands that it is not a subsidized employment program.

The Code of Federal Regulations, 20CFR sec 680.710 explains that OJT training payments to employers are deemed to be compensation to the employer for the extraordinary costs associated with training participants and the costs associated with the lower productivity of the participants. Employers are not required to document such extraordinary costs. Employers may be reimbursed up to 50 percent of the wage rate of an OJT participant for the extraordinary costs of providing the training and additional supervision related to the OJT. Because all new employees undergo some form of training, it is essential to differentiate the initial "training and orientation" routinely provided by the employer to qualified new hires from the additional training that is to be provided for the OJT trainee. The employer should only be compensated for training that is in addition to what is normally provided to a qualified new employee. During the course of the OJT, the trainee must be treated as a regular employee and should receive wages and benefits at the same level as similarly employed workers.

Not all jobs are appropriate for OJT. The emphasis on training automatically eliminates all jobs that require no more than a brief initial orientation period. Similarly, because reimbursements are intended to compensate the employer for decreased productivity, jobs that pay by commission or piecework are considered inappropriate. Additionally, seasonal and temporary jobs should likewise generally be avoided because the desired outcome is long-term retention into full time employment at the completion of training.

The assessment process is used to substantiate that each trainee has a need for the training that is to be provided and has the capability to benefit from this training. The decision to assign a participant to OJT should be based on consideration of the individual's employability skills, skill deficiencies, and interests.

OJT can also be inappropriate for a variety of other reasons. The trainee should generally possess at least the threshold level of basic and work readiness skill proficiency to ensure the possibility of success. Placement into OJT before a trainee is ready can negate earlier achievements and undermine motivation and self-confidence. Additionally, the placement of trainees who fail to meet even basic employer expectations will diminish the credibility of the Council within the business community. The initiation of an OJT for an unemployed registrant is generally delayed until the trainee:

- 1) has identified interests and aptitudes that match the prospective training;
- 2) has expressed an occupational preference based upon sound and current labor market information;
- 3) understands and/or exhibits the attitudes and behaviors that employers require;
- 4) appears motivated and committed to give a best effort;
- 5) has sufficient basic, work readiness and occupational skills to learn job skills.

Although the primary focus of OJT is training in job-specific skills, it is sometimes necessary to build

in activities that simultaneously address needed basic and/or work readiness skill deficiencies as part of the overall contract.

Trainees who already possess a substantial portion of the skills required to perform the job generally should not be placed into OJT positions. The responsibilities that accompany the use of public funds demand that expenditures for training activities be confined to situations in that there is a documentable need for training; mere subsidies for business or financial incentives to hire are avoided. Thus, the selection of trainees for OJT should be carefully governed by a well-thought out process. The skills already possessed by the participant must be considered along with the skills required to do the job.

B. ECONOMIC DEVELOPMENT RESTRICTIONS

Employment generating activities, economic development, and other similar activities are not allowed unless they are directly related to training for eligible individuals. Activities regarded as directly related to training for eligible individuals include:

- 1) employer outreach and job development activities including contacts with potential employers for the purpose of placement of WIOA participants;
- 2) the development of OJT activities.

C. DEMAND FOR OCCUPATION IN LABOR MARKET

OJT positions must be in demand in the local labor market. Local labor market information can be used to establish that the OJT training is for a demand occupation. OJTs that occur in small businesses where the OJT training covers a relatively broad range of functions that draw from several occupations are generally considered as a unique occupation for labor market demand purposes. With these unique occupations, the fact that an opening exists for the occupation at the business presupposes the existence of a demand for the occupation.

D. CUSTOMIZED TRAINING

Customized training is designed to meet the special requirements of an employer (including a group of employers) that is conducted with a commitment by the employer to employ an individual on successful completion of the training and for which the employer pays for a significant cost of the training. The employer share is based on the size of the workforce, and the share can be provided as cash or as wages paid to the participant while in training, as follows:

- o At least twenty percent (20%) of the cost for employers with 50 or fewer employees
- o At least thirty-five percent (35%) of the cost for employers with 51 to 100 employees
- o At least fifty percent (50%) of the cost for employers with more than 100 employees

III. **SELECTION OF TRAINEES:**

OJT is not appropriate as an initial activity for all participants. Although some may be ready for training in occupational skills immediately upon enrollment into the WIOA program, others may benefit more from other activities that focus training on basic and/or work readiness prior to consideration of OJT. Yet for others, basic and work readiness skills can be taught most effectively at the same time as occupational skills by integrating basic and/or work readiness training into the work-based training plan and/or by concurrent enrollment into other training activities. Additionally, even when the participant is ready to be trained in occupational skills, the occupational classification that has been chosen must be factored into the determination of whether OJT is the most effective activity. For some occupations, particularly those requiring some form of institutional certification, classroom skills training is a more suitable approach.

A. **RECRUITMENT:**

Sometimes an unfulfilled demand for skilled workers by an employer or among a group of employers may result in a targeted effort by the Northwest Workforce Council to recruit appropriate trainees. Candidates may also be identified from the pool of applicants who have applied for WIOA and have not yet been enrolled or among registrants/participants already enrolled in other training activities.

Prospective candidates may also be referred by partner agencies such as Employment Security, local colleges, etc, or may submit applications in response to specific media advertising. Use of these recruitment approaches is directed by the NWC Workforce Programs Managers or other senior management staff. It is the Workforce Programs Manager's responsibility to oversee coordination with other organizations and to approve any outside advertising.

B. **EMPLOYER REFERRALS:**

An employer may sometimes refer an applicant for a vacant position in order to determine whether the applicant is eligible for WIOA and appropriate for OJT. This practice is allowed under WIOA. Coordinators should assess the circumstances to determine whether On-the-Job Training should be avoided because:

- 1) the applicant has basic, work readiness or occupational deficiencies that would preclude successful job training;
- 2) the applicant has adequate previous experience or skills that make On-the-Job Training unnecessary; or
- 3) any condition of the OJT Agreement would be violated.

Upon completing this assessment, an applicant who is referred to the NWC by an employer can be registered into an OJT only after eligibility for WIOA has been verified and after the assessment process has documented a need for and ability to benefit from the training offered

by the employer. Both the employer and the applicant should be advised initially of the possibility that the applicant may not be appropriate for the training program. This interaction can be used to establish the proper tone for ongoing relationships with the employer as a "customer" and the applicant as a "client."

The OJT arrangement should be explained as an "investment" that the NWC is making in both the business and the trainee. Like any sound business decision, the placement of a trainee must be based upon enough information to insure a reasonable likelihood of success. Despite the training reimbursement, the employer is also committing valuable time and money to the preparation of a new employee and should not risk the expense of rapid turnover resulting from a mismatch. Hence, the timely assessment of the applicant's interests, attitude, skills, and abilities will work to the benefit of the business. Similarly, the applicant's best interest is also served by avoiding the failure that will inevitably result from a hasty and inappropriate placement. See Section IV on Previous Employer of Applicant and Section IV.D on Currently Employed (Incumbent) Workers; Upgrade.

IV. ASSESSMENT

A. DOCUMENTING NEED:

An individual's need for on-the-job training is established by documenting their deficiency in occupational skills during the assessment process. Although the primary focus of OJT is the acquisition of job specific skills, deficiencies in basic and work readiness skills may for some also be addressed simultaneously. Regardless of the method used for recruitment, the decision to place a participant in OJT must be based upon an assessment of the skills, knowledge, attitudes, and behaviors. An individual may be placed in OJT only when assessment, testing, and individual counseling indicate a need for and ability to benefit from the training specified in the OJT agreement.

In addition, consideration should be given to the chosen occupational classification to determine whether OJT is an appropriate training modality. Further discussion of this issue is presented in Section VI on Qualifying the Business.

A review of the individual's employment history and educational background provides an appraisal of whether the applicant has relevant skills. A deficiency in occupational skills (job-specific skills) is adequately documented where application and assessment materials show that the individual:

- 1) has minimal or unsuccessful previous work experience in the occupation; and
- 2) has not substantially completed a skills training program in the occupation for which training will be given.

A presumptive need for training may thus be established.

B. PARTICIPANTS WITH PREVIOUS EXPERIENCE IN THE OCCUPATION:

An individual who possess knowledge or skills essential to the full and adequate performance of the specific occupation for which the on-the-job training is proposed may not be placed into an OJT in that occupation. While strict compliance with this principle is inherent in the concept of OJT, in reality many jobs are unique and do not present an exact match of the skills required for jobs with other employers, even where the job title is identical. Thus, even where an individual has some relevant experience or training, the need for OJT may still be substantiated through the assessment process. In addition, a lack of contemporary application of skills or a change in technology may necessitate additional training.

Where need cannot be established through satisfaction of the presumptive conditions listed in the previous subsection, then a deficiency must be demonstrated through:

- 1) a pre-test administered by the NWC or by an occupational skills training provider within two weeks of enrollment into a program activity that provides occupational skills training; or
- 2) a comparison of employers' job descriptions and/or institutional training curricula that

provide substantive evidence of the need for training in the prospective OJT, or

3) a comparison of the employer's job description or a task analysis with the applicant's job specific skills.

The training plan that is part of the OJT Agreement, discussed further in Section VII, may be used as an assessment instrument to determine skills a trainee already possesses and to document the need for further training.

The use of a preliminary two-week OJT Agreement may be appropriate. During this period, the trainee is exposed to the range of skills required to perform the job and given hands-on opportunity to demonstrate abilities. The employer rates performance for each skill identified in the training plan. On the basis of the skill evaluation, the OJT Agreement is then modified to specify that skills must be learned and specify the time period required to achieve entry-level skill.

C. PREVIOUS EMPLOYER OF APPLICANT:

As with employer referrals, where a candidate for training is a previous employee of the business wishing to provide OJT, the Coordinator must carefully examine whether the proposed training involves skills and duties that are substantially the same as the previous job. This lack of new or upgraded skills is a valid reason to prohibit an OJT.

If, however, there is adequate reason to enter into the agreement, e.g., a new job or upgraded job at a higher rate of pay, then OJT can be justified for a proportionately reduced duration or reimbursement rate. Additionally, regular monitoring must substantiate that training is occurring and that the trainee is not spending excessive time performing the duties of the previously held job.

D. CURRENTLY EMPLOYED (INCUMBENT) WORKERS; UPGRADES:

A currently employed worker may be placed into an OJT with the same employer only under the following specific circumstances:

- 1) The employee is not earning a self-sufficient wage as determined by the Council and is within industries that are sectoral initiatives approved by the NWC. Self-sufficiency is defined as having family income exceeding the Low-Income (80% of median family income) limits based on Department of Housing and Urban Development median family income guideline for Northwest Workforce Development Area using the Bellingham Metropolitan Statistical Area;
- 2) The employer has not 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.
- 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, workplace literacy, or other appropriate purposes identified by the Council.

Where the employer proposes to upgrade the employee by training for a job that required substantially different or higher-level skills, the training must result in a minimum of one dollar per hour pay raise. The position that the upgraded trainee is leaving should create an entry-level opening that would be a priority to be filled by a WIOA participant.

Finally, a decision must be rendered within the context of the WIOA program as a whole, considering whether a currently employed worker meets the NWC's prioritization policy and criteria.

V. MARKETING AND SALES TO EMPLOYERS

A thorough understanding of the needs of local employers is at the core of the NWC's marketing and sales activities. The mandates of the Workforce Innovation and Opportunity Act are fulfilled by a process of assessment and systematic improvement of the skills, knowledge, attitudes, and behaviors of each participant. These competencies have been designed by the NWC to reflect the standards of the employing community. Hence, the businesses throughout the WDA are ultimately the consumers of the services that are provided; the employer is our customer.

Operation of a successful OJT program requires the participation of businesses with a capacity for and commitment to high quality training. To achieve this aim, service staff must:

- 1) have a well-conceived marketing strategy that reaches enough employers to allow training and employment opportunities that match the needs and interests of program applicants;
- 2) have a thorough understanding of the product, the OJT Program/Agreement;

- 3) sell the benefits of OJT to interested employers and select only those with the "qualifications" to use OJT effectively;
- 4) provide needed technical assistance to the business to create and implement a training plan;
- 5) service each "account" regularly by monitoring progress, troubleshooting, and resolving problems;
- 6) use each success as a sales opportunity to obtain repeat business and get endorsements and referrals to other businesses.

A. MARKETING:

Although marketing is a key ingredient for program success, it must be kept in a proper perspective. Marketing is a multi-faceted concept; over time different aspects will require emphasis as strategies are adapted to changing labor market conditions. Yet regardless of how businesses are attracted, Coordinators must remember that not all businesses are appropriate for OJT. Developing the capacity to discern those that are not is a skill worth cultivating.

In most instances OJTs are marketed to employers in ones and twos. There are two basic approaches, with variations. Each is effective at the appropriate time: the client-centered approach and the employer-centered approach.

The client-centered approach begins with a "training-ready" participant; assessment indicates the presence of requisite basic and work readiness skills and an occupational interest founded on adequate and accurate information and exploration. The Coordinator "packages" the participant and approaches employers who are known to hire people in the chosen occupational field. Thus, the individual trainee is being "sold" to the business along with the program's services.

When done properly, self-marketing by participants can also be an effective way to identify possible OJT sites. It is, however, a potentially dangerous practice. If poorly structured and supervised, misconceptions are spread and perpetuated regarding paperwork expectations, overemphasis of the "half-price ticket" and underemphasize of training needs and expectations. If participants are permitted to market OJT as part of a self-directed job search activity, they are more effective when provided with written materials and clear instructions regarding when to call in Coordinators to explain the details and develop the OJT agreement. Although participants can collectively spend far more time contacting potential employers, remember that not all participants or employers are appropriate for OJT. Discretion must be built into the process to avoid the temptation of quick numbers at the expense of high-quality training and long-term credibility.

The employer-centered approach starts with the business contact. Many methods may be used to recruit interested employers including advertising in the media, direct mail, telephone solicitation, cold calls, presentations to business and service organizations, and networking. Yet no matter how the initial contact is made, the OJT is always "sold" by a personal contact with the employer to explain the benefits and advantages. Thus, an interested employer may identify one or more job classifications for which trainees are desired. If the business is qualified and the

position is appropriate, it is then incumbent upon the Coordinator to present and "sell" the position to prospective trainees.

The availability of a range of possible training positions is also an effective recruitment strategy to attract motivated trainees to apply for the program. Additionally, this approach helps to maintain participant motivation by avoiding the frustration of delay inherent in the client-centered approach. Conversely, employers should not be given over-optimistic expectations regarding the immediate availability of training-ready candidates.

B. SALES:

Like any product or service, OJT is best sold by stressing its benefits and advantages rather than its features. Employers become interested in OJT for a variety of reasons, including:

- 1) help in recruiting workers;
- 2) assistance in developing a skilled work force;
- 3) receipt of the 50% OJT reimbursement offsetting training costs.

Help in recruiting workers can best be "sold" to the employer through brief testimonials from satisfied customers and other OJT employers. Use concrete examples to provide a concise description of how, from an employer's standpoint, job leads are received and applicants are screened and referred to the employer. Clarify that the employer is the customer and that only appropriate applicants will be referred for final interviews and selection by the employer. Coordinators should, whenever possible, avoid using language wrought with "program-ese." Attempt to replace the terms "participants," "registrants" or "program" with those terms commonly used by for-profit employers such as "job applicant," "trainee" and "agency." The success of your recruitment efforts will be measured by the employer in terms of the speed of your response and the attitude, appearance, and appropriateness of the applicants referred.

Development of a well-trained and stable work force is arguably the greatest advantage of OJT to an employer. The benefits of a well-developed and properly implemented training plan include increased productivity, reduced turnover, and ultimately new training opportunities.

Above all, Coordinators must believe in the benefits of training to the employer and employee and bring to local employers the expertise to improve the functioning of the employer's human resource management system. All too often, particularly among small businesses (and small to medium-sized businesses tend to be where the bulk of job growth is occurring), human resource management skills are sorely lacking. Employers may need employees, but just as much need technical assistance to recruit, screen, select, train, and retain their work force. To properly manage human resources, it is necessary to thoroughly describe work functions and assign responsibilities through job descriptions; analyze existing jobs to identify component skills; articulate the prerequisites to streamline recruitment and selection; create effective training plans; and use employee evaluation to monitor skill attainment and improve performance.

Coordinators must become expert in employer staff development. The commitment to personal

professional growth entails ongoing education through:

- 1) active participation in structured staff training
- 2) thorough familiarity with the NWC's policies and procedures
- 3) articulation of questions and concerns to supervisory and administrative staff
- 4) identification of training needs and outside sources of information and expertise including books, professional journals, colleagues at other agencies and institutions, and courses and seminars;
- 5) modeling successful approaches used by veteran staff experts;
- 6) experience

Coordinators should incorporate into the sale approach the offer to teach the employer how to write job descriptions, perform task analysis, specify performance criteria and on-the-job competencies, and design effective training activities. Effective training aids business by promoting the effective use of human capital. Stress that employees who are helped to realize their potential are not only more valuable inherently but also value their job more and tend to stay longer. Reducing the costs of turnover is but one advantage of well-implemented training. A good OJT with an effective training plan will help a business far more than a check for half the wages. It will add value to the company's human capital and provide a tool for future growth.

Thus, the sale of OJT entails the offer of a relationship. The employer is being offered a source of pre-screened job applicants whose skills have been assessed, along with the expertise to create a plan for training that is "customized" to the needs of the business. Moreover, the Coordinator's ongoing support in problem resolution and coordination of ancillary training and services demonstrate a commitment to success. This support may also extend nine to twelve months beyond the completion of the OJT agreement to help insure that the trainee is retained as an employee.

Lastly, the availability of the wage reimbursement makes it financially possible for the employer to provide training that might not otherwise be accomplished. Add up the potential savings for the employer. Use these figures to demonstrate that the employer can afford to invest in training, but do not oversell it. Reinforce that the cash reimbursement is a "quid pro quo", a contractual exchange, that is contingent upon hiring, training, and retaining the trainee in accordance with the OJT terms; but clarify that a good faith retention commitment is all that is expected. The employer is not required to retain a trainee who is not succeeding. It must also be clear that fringe benefits, including paid sick leave and holidays, although desirable, are not included in the OJT wage base and are not reimbursable. Overtime hours may be reimbursed, but only at the base rate of pay.

The key to repeat business and referrals to other employers is customer satisfaction. For this reason, ongoing contact with the employer and fast response to any OJT problem is critical. Your ability to sell employers on the worth of the training plan is directly related to the quality of employees who have been trained. The improvement in trainee skills, documented by evaluations against the training outline, demonstrates the worth of the OJT. Local employers do

not live in a vacuum. They quickly become aware through business contacts, fellow members of associations and clubs, or from customers what services are available and how effective those services are. In the long run, a quality product and a reputation for good service are the only successful sales "gimmicks". The usual business wisdom holds true: one satisfied customer will lead to two follow-up sales, but one dissatisfied customer will cost five to ten potential sales. When approaching a potential OJT employer, always be prepared to offer five success stories that have some relevance. Develop a list of previous OJT employers who would be willing to share their successful OJT experience with a prospective OJT businessperson. So, remember, your reputation precedes you.

VI. QUALIFYING THE BUSINESS

A. THE PRE-AWARD REVIEW

The contracting process begins with a systematic exchange of information between the prospective employer and the agency. The Coordinator must make an on-site visit to the interested employer to:

- 1) explain the program;
- 2) learn about the business;
- 3) identify and describe the job(s) to be filled;
- 4) observe the work setting and environment; and
- 5) review the administrative systems and the business' capacity to insure fiscal integrity.

If initial discussion indicates that the business may be appropriate for an OJT, it is necessary to gather and record detailed information that insures that the business can comply with the required administrative standards, in effect to "qualify" the business for OJT services. The process entails an interview with the owner or manager, inspection of documents or forms, and observation of the premises and work setting. Additionally, the requirements of the OJT contract, the Terms and Conditions, are explained to the employer.

The information that is gathered is summarized and recorded on the OJT Worksheet. The purpose of this process is to determine whether:

- 1) the business is solvent;
- 2) it has the capacity and resources to adequately train;
- 3) successful training will provide a long-term job;
- 4) the business's turnover rate is reasonable;
- 5) the health, safety, and working conditions are reasonably safe and sanitary;
- 6) adequate Workers' Compensation or accident insurance coverage is in effect;
- 7) adequate payroll and record keeping systems are in place;
- 8) any positions are covered by collective bargaining agreements, and if so whether the bargaining agent approves of and will concur in writing with the training plan;
- 9) there is a need to avoid an OJT because other employees are currently in layoff status or currently employed workers will be displaced by a trainee or the OJT would infringe on promotional opportunities of currently employed workers;
- 10) the rate of pay, and fringe benefits, and working conditions offered to the trainee are the same as similarly situated employees in similar positions in the local labor market; and
- 11) there is any evidence of discrimination or other unlawful practices.
- 12) if the relocation results in any employee losing his or her job at the original location since WIOA funds may not encourage or induce a business, or part of a business, to be relocated from any location in the United States. If an employee has lost her or her job at the original location, no OJT or customized training funds can be used at the new location until the business has operated at the new location for 120 days. To verify that an establishment is not relocating from another area, a standardized pre-award review is completed and documented jointly by the NWC as a prerequisite to WIOA assistance. Such review must include the names under which the establishment does business, including predecessors and successors in interest; the name, title, and address of the company official certifying the information, and whether WIOA assistance is sought in connection with past or impending job losses at other facilities, including a review of whether WARN notices related to the employer have been filed. This review may include consultations with labor organizations, the Employment Security Department and others in the affected local area(s).

B. APPROPRIATE BUSINESSES:

The review process described above is used to determine whether a business is appropriate for OJT. Note that members of the NWC (the board) are not a party to the selection and approval process for OJT contracts. OJT contracts with organizations represented on the NWC are subject to the same policies and approval procedures as any other employer.

All OJT contracts must comply with the Workforce Innovation and Opportunity Act, its implementing regulations, State of Washington Policies, and NWC policies. These requirements

include:

- 1) The business is not involved in a labor dispute, has employees in layoff status, or is in violation of Davis-Bacon Labor practices that govern prevailing wage rates for government construction contracts.
- 2) An OJT contract must not impair existing contracts for services or collective bargaining agreements. When an OJT contract would be inconsistent with a collective bargaining agreement, the appropriate labor organization and employer must provide written concurrence before the OJT can begin.
- 3) The OJT contract would not assist, promote or deter union organizing.
- 4) The OJT employer does not illegally discriminate in training or hiring practices because of race, color, sex, national origin, religion, disability, political beliefs or affiliations, or age.
- 5) The OJT employer has adequate payroll record keeping systems that track hours worked, gross pay, deductions, and net pay.
- 6) The OJT employer is registered with the Internal Revenue Service and, has an account with the Employment Security Department for Unemployment Insurance and the Department of Labor and Industries for Workman's Compensation Industrial Insurance.
- 7) The OJT training does not violate the NWC's sectarian prohibition.
- 8) OJT trainees are compensated at the same rates, including periodic increases, as trainees or employees who are similarly situated in similar occupations by the same employer and who have similar training, experience, and skills, and such rates shall meet the higher of the federal, state or NWC minimum wage rate. Employed workers with an upgrade OJT must meet the NWC's requirement to receive a wage increase of at least one dollar per hour.
- 9) OJT employees are provided benefits and working conditions at the same level and to the same extent as other trainees or employees working a similar length of time and doing the same type of work.
- 10) The prospective OJT employer has met any existing performance criteria and requirements of the Governor and/or NWC. When the employer has trained previous NWC registrants, the employer must have retained a sufficient percent to exceed the "pattern of failure" requirement of providing 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.
- 11) The OJT employee would not be engaged in partisan political activities.
- 12) The OJT contract would not displace any currently employed worker (including partial displacement such as reduction in non-overtime hours, wages, or benefits) or infringe upon the promotional opportunities of any current employee to enter into an OJT contract. Regular employees and program participants alleging displacement may file

a complaint under the NWC's grievance procedures.

- 13) (a) No individual is on layoff from the same or any substantially equivalent job; (b) the employer has not terminated the employment of any regular employee or otherwise reduced the workforce of the employer with the intention of filling the vacancy so created with an OJT participant; (c) the job is not created in a promotional line that will infringe in any way upon the promotional opportunities of currently employed individuals (as of the date of the participation).
- 14) The OJT does not encourage or induce the relocation of a business or part of a business if such relocation would result in a loss of employment for any employee of such business at the original location and such original location is within the United States unless 120 days have lapsed since the date on which such business commences operations at the new location.
- 15) The OJT site has necessary equipment, materials, and supervision to provide adequate training.
- 16) The OJT employer forecasts sufficient work to provide long-term regular employment for the OJT participant.
- 17) The OJT site has safe and healthy working conditions, without previously reported health and safety violations have been reported but have not been corrected. (Note that the Coordinator should be attentive to this issue during the initial visit - and subsequent visits - to the training site and should inquire about safety records and inspections. The Coordinator is not a WISHA/OSHA inspector, however, and is only expected to question reasonably apparent potential hazards). To the extent that the State workers' compensation law applies, workers' compensation must be provided to OJT employees on the same basis as the compensation provide to other individuals in the State in similar employment.
- 18) No fee has been charged to the participant to be referred or placed into the OJT training position.

C. RETENTION RECORD OF PARTICIPATING EMPLOYER:

The decision to enter into an OJT should also take into consideration the track record of employers who have previously undertaken OJTs. The NWC must not contract with an employer who has 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 provide to regular employees who have worked a similar length of time and are doing the same type of work. Only businesses with a history of successful training and retention of OJT employees should be used as repeat OJT sites. Employers that use OJT to subsidize short-term "revolving door" positions will be decertified as OJT sites. For the purposes of re-contracting and “pattern of failure” considerations, additional OJT agreements should not generally be negotiated with any business that, having had five or more previous OJT contracts:

- 1) Does not meet an employment (retention) rate of 80%. The employment rate is the percentage of all exiters from the applicable program who has unsubsidized employment in the 4th quarter after exit. The employment rate calculation is:

(a) # of exiters from the applicable program employed in the 4th quarter after exit

(b) # of exiters from the applicable program during the reporting period

Exception: When a business does not meet the employment rate of 80% for five or more exiters, but agrees to a corrective action plan that addresses the identified problems, additional OJT contracts can be approved on an interim basis after the corrective action plan has received administrative approval. Absent an approved corrective action plan, a business that has been determined to exhibit a pattern of failure to retain trainees will be decertified as an OJT site for a limited duration of two years.

Such re-contracting/corrective action decisions consider the circumstances of trainees who have failed to complete training. A pattern of failure determination is generally not made until at least five OJT trainees contracts have expired and the trainees have completed the follow-up period for performance. Efforts should be made to determine why trainees failed to complete. This information should be summarized and used to develop corrective action procedures for the employer and to improve the quality of the match in the referral of trainees to the business.

D. DISPROPORTIONATE SHARE OF THE WORK FORCE:

To effectively implement an OJT agreement, it is necessary that the employer have adequate supervisory staff or other skilled workers who are available to instruct the trainee. The number of trainees participating at any business should, therefore not represent a disproportionate share of the employer's work force. Although a reasonable ratio may vary with circumstances such as the size and nature of the business, as a general guideline, the number of trainees placed into OJT positions should not exceed:

- 1) one trainee for businesses with five or fewer employees; and
- 2) 50% of the work force for businesses with six or more employees.

This guideline may be exceeded with administrative approval if sufficient benefit to the trainee can be documented.

VII. THE OJT CONTRACT

The OJT contract document must contain certain minimum informational items. The importance of a clearly written and concise but thorough training plan cannot be overemphasized. The contract document details the expectations and promises of the parties. It is the primary tool for the resolution of disputes that may arise during the course of performance. Good contracting practice requires that the OJT agreement contain:

- 1) A clear statement of purpose;
- 2) Thorough identification of all parties including the trainee;
- 3) Signatures of the respective parties;
- 4) Identification of the training job title and appropriate job and training ONET (Occupational Information Network) code and Specific Vocational Preparation (SVP) range for training length.;
- 5) Start and end dates;
- 6) Respective responsibilities for any supplemental training that is to be provided away from the worksite and for supportive services that are needed by the trainee;
- 7) Detailed computation of the wage reimbursement showing the wage rate, reimbursement rate, planned raises, and training duration;
- 8) Concurrence of a collective bargaining representative when the training position come under a collective bargaining agreement between the employer and a labor union;
- 9) An extensive set of general provisions ensuring regulatory compliance; and
- 10) A training plan that is incorporated by reference in the body of the contract.

The body of the contract describes the purpose of the OJT agreement. A variety of assurances regarding the conditions of employment and compliance with federal and state rules and regulations are included as standard language (sometimes called the "boilerplate") in the Terms and Conditions. The remaining information must be specified and completed during the contract negotiation process.

A.

A. **APPROPRIATE JOBS AND CONDITIONS:**

Types of employment to avoid for OJT contracts include:

- 1) employment is offered only on a part-time, temporary, or seasonal basis (Note that some seasonal jobs may only have a brief lay-off period and thus afford economic self-sufficiency despite this characterization and may therefore be acceptable for OJT);
- 2) the principal method of payment is by commission or piecework;

- 3) working conditions do not comply with program requirements;
- 4) there is no need for training other than a brief period of orientation;

An individual's need for training is determined through the assessment process. Whether a job warrants training is determined by the time it takes an average employee with no previous experience to learn to perform at the entry level. This average duration is provided by the Specific Vocational Preparation (SVP) code for each occupation listed in the O*NET. In general, any job that requires less than 30 days of training for the previously inexperienced employee is not appropriate for an OJT. Exceptions to this guideline may be justified by documentation of special circumstances such as basic skill deficiencies or disabilities that substantiate the need for training or for longer training periods.

B. STARTING WAGE

To ensure that WIOA resources are utilized in a manner that provides participants with high quality training placements leading to long term job retention and financial independence, the NWC has periodically reviewed the minimally acceptable starting wage rate for OJT sites. OJT contracts will have a target starting wage rate of \$16.00 per hour with a minimum wage rate of \$12.50 per hour.

Written administrative waivers may be issued based on special circumstances, e.g.

- 1) Special client needs such as disability or limited English;
- 2) The employer provides a good benefit package; for example, adequate employer-paid health insurance and paid sick leave;
- 3) An out-of-school young adult.

However, in no case shall the starting wage be less than the Washington State minimum wage in effect for the period.

C. TRAINING COSTS

The target training cost of an OJT is \$5,000 and includes the training cost reimbursement to the employer and any ancillary training costs such as the cost of the participant attending outside classes to enhance basic skills. If training cost are anticipated to exceed \$5,000, approval from the Workforce Programs Manager is required prior to completing the training plan and contract. The maximum training cost of an OJT is \$7,200.

Written administrative waivers may be issued based on special circumstances such as the need for additional training for high wage occupations, special needs populations such as individuals with disabilities and limited English communicators.

D. DETERMINING TRAINING DURATION:

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 is given to the skill requirements of the

occupation, the academic and occupational skill level of the participant, prior work experience, and the participant's individual employment plan.

Training duration is negotiated with the employer on the basis of the skills that need to be learned to perform the job at a level comparable to an entry-level employee who would be hired without the need for OJT. An upper limit for training duration is established using the Specific Vocational Preparation (SVP) estimates for occupations in the U.S. Department of Labor. The following definitions for SVP levels are contained in *the O*NET On-line* site.

<u>Level</u>	<u>Time</u>
1	Short demonstration only (usually not appropriate for OJT)
2	Anything beyond short demonstration up to and including 30 days
3	Over 30 days, up to and including 3 months
4	Over 3 months, up to and including 6 months
5	Over 6 months, up to and including 1 year
6	Over 1 year, up to and including 2 years
7	Over 2 years, up to and including 4 years
8	Over 4 years, up to and including 10 years
9	Over 10 years

However, the NWC's program limits OJT to 6 months (twenty-six (26) weeks or 1,040 hours) or less. Thus, all jobs with SVP codes of 5 or higher will likewise be limited to 6 months of training.

Again, the SVP codes represent upper limits of OJT training duration for an "average" trainee. Sometimes these limits can be exceeded (though not longer than 6 months) where adequate documentation supports the need for longer training. Reasons to exceed these "average" durations frequently include:

- 1) Basic educational skill deficiencies that affect the rate of training (including English-as-a-second Language (ESL), reading, writing, and oral communications, mathematics);
- 2) Identified needs for required work attitudes and behavior that will be addresses as part of the OJT;
- 3) Complexity of the job exceeds the O*NET description; and
- 4) Other relevant factors such as disabilities.

Shorter training periods are often established on the basis of the agency's successful experience using shorter time periods, an employer's estimate of necessary time, job descriptions that vary from the O*NET description, or a participant's prior experience that makes some of the training unnecessary. Occasionally, adjustments for a trainee's prior experience may be negotiated by varying the reimbursement rate instead of the training duration.

Because the length of training is determined through a process of negotiation, it is good procurement practice to provide written justification for the agreed-upon duration. Written documentation serves to satisfy procurement regulations. And also records the rationale employed in the negotiation.

E. THE TRAINING PLAN:

A training plan is the core of the OJT agreement. Because OJT reimbursements are intended to compensate the employer for the extraordinary costs of training, the training plan serves as the work statement of the contract. Contractually it:

- 1) specifies what is being "purchased" from the employer;
- 2) serves as an instrument to monitor whether what has been "purchased" has been "delivered."

The training plan provides structure and content to insure thorough and comprehensive training. Employers will need assistance in the development of a training plan that will satisfy program requirements, serve as a meaningful guide for the trainee, and result in a valuable, skilled employee for the business. It helps to think the plan through in several steps:

- 1) Identify component skills. Proper performance of each task requires the mastery of one or more skills. An analysis of each task should be performed to specify what skills are needed to do it correctly.
- 2) Describe how the skills will be measured. This is necessary to evaluate progress. Help the employer to identify the method of measurement that will be used to determine if the skill has been acquired.
- 3) Articulate the training methods. Although OJT, by its nature, stresses learning-by-doing, it is not enough to expect that a trainee will acquire skills simply by performing the job. Assist the employer to develop an instructional strategy that is well adapted to the skill level and learning style of the trainee.

A training plan clearly defines expectations and goals and provides built-in opportunities for feedback. Thus, by thinking through and defining the training process, the employer can be helped to fulfill his or her contractual responsibilities, but more importantly, it permits the development of an effective employee.

Because the training plan is structured around the skill requirements of the job, it is necessary to first identify the tasks that must be performed and to then factor and translate those tasks into the skills that must be acquired and demonstrated. For most entry-level jobs, the rudiments of job analysis, concisely applied, can add the necessary rigor and accountability to the OJT agreement. At a minimum, each training plan should identify job-specific skills that must be demonstrated to perform the job at the entry level and encompass safe operation of all tools and equipment that are utilized.

After skill requirements have been specified, it is necessary to identify the method of measurement to determine if the trainee has acquired the skill. The most typical methods of measurement include oral or written questions and answers (testing), observation of the trainee as he or she performs a task or review and inspection of a work product. Depending upon the skill, one of these methods will most likely be utilized by the supervisor to determine whether the skill has been acquired to a satisfactory level. Wherever possible, the employer should identify an objective standard against that performance will be measured.

EXAMPLE: AN OBJECTIVE METHOD FOR MEASURING PERFORMANCE

A trainee placed into an OJT as an assistant in a small cabinet and furniture making shop is required to pre-cut parts for assembly from a parts list using a radial arm saw and to locate and drill holes according to assembly diagrams. The training plan specifies that all usable parts must be cut to within 1/64" of specifications and that mounting holes must be on 16 inch centers, plus or minus 1/64". The supervisor specifies that performance will be rated by measurement of a random sample of pieces and that the wastage rate must be less than 2 percent.

Training Method

The training method that will be used to teach each specific skill must be specified. Typical methods include classroom attendance, observation, oral instruction, demonstration and practice, reading of instruction/procedure manuals, guided simulation, and trial and error. Effective learning of most tasks involves a combination of several methods adapted to the setting and the learning style of the trainee. An enhancement of the demonstration and practice method employing the following eight steps is often recommended by skilled trainers:

- 1) supervisor or other "expert" demonstrates performance of the entire function;
- 2) the expert explains each step in detail;
- 3) trainee observes performance again;
- 4) trainee performs each aspect of the function, receiving corrective instruction and criticism during each step;
- 5) expert assists trainee to perform entire function;
- 6) trainee performs entire function independently;
- 7) expert provides feedback and suggestions;
- 8) trainee performs and practices independently; expert provides periodic feedback and inspects product.

Learning is often most effective when several methods of instruction are used for reinforcement. For example, when demonstration and practice is supplemented with written materials, comprehension and retention are improved. Employers should be encouraged to organize written materials that provide background information and supplement the demonstration method. Use of more than one expert as trainer (if a business is large enough to have many available) can speed progress and enhance the quality and thoroughness of the training.

F. **SUPPLEMENTAL TRAINING AND SUPPORTIVE SERVICES:**

In addition to work-based instruction in job-specific skills, it may be necessary to supplement the basic OJT design with additional activities and services to ensure that all assessed skill deficiencies and barriers are addressed. This can include but are not limited to:

- 1) counseling that focuses on work-related attitudes and behaviors that are needed to keep the job;

- 2) participation in off-site workshops conducted by NWC staff or professionals that address work readiness skills.
- 3) provision of case management and supportive services to solve problems not related to work that interfere with effective and consistent work performance;
- 4) provision of additional services that directly contribute to the trainee's ability to participate in training. This may include transportation, work clothing, and tools that are not normally provided by the employer (Note that any item that is provided becomes the property of the trainee upon successful completion of the training and does not belong to the employer);
- 5) participation in basic skills and General Equivalency Degree (GED) preparation.

Each of these activities should be incorporated into the OJT contract in one or more ways. The contract document requires identification of all clothing and tools to be provided and the supplemental education/training to be provided. The appropriate sections of the contract must be filled in prior to signature.

Basic and work readiness skills that may be incorporated into the training plan. This approach requires the full support of the employer. The Coordinator can help to tie together job training and basic skill instruction by acting as an intermediary, relaying workplace basic skills needs to the instructor and insuring that reading, math, and language skills are used on the job and that gains are reinforced as much as possible. Many employers will agree to allow limited leave time for basic skills instruction. Some may even agree to pay for all or part of the leave time, reinforcing the importance of education to work.

Additionally, some employers may not be able to provide all the needed job-specific skills training or may wish to augment the on-site skills instruction. Supplemental training in job-specific skills can be arranged through:

- 1) a class at a community college, technical college or other school outside of work hours or during work hours if the employer is willing to pay wages during class time;
- 2) a short, intensive seminar or training session to teach a specific technical skill (Note that this can be paid for by the Workforce Council if it is training that is not normally provided to new employees);
- 3) a formal in-house program offered by the company to its employees (Note that if such an in-house program is ordinarily offered to new employees in similar positions it should not be part of reimbursed OJT time. However, efforts could be made to work such training into the contract and training plan when it would not normally be available to the trainee during the training period).

Prior to initiating any of the above-listed supplemental training activities, the Coordinator must determine:

- 1) the costs and other available funding sources;
- 2) related supportive service needs such as transportation lodging, necessary books and

- tools and agreement with the employer regarding cost sharing;
- 3) admissions and academic requirements such as basic skill levels needed for classroom success.

Plans for supplemental training should be carefully reviewed with the trainee in advance and must be specified in writing in the appropriate section of the OJT contract. Careful monitoring of the trainee's initial progress may uncover supplemental training needs and deficiencies that were not apparent at the time the contract was executed. In such cases, the NWC Coordinator may initiate training plan revisions to include these.

G. **TERMS AND CONDITIONS:**

The "Terms and Conditions" that are referenced in the body of the OJT contract **must be attached to the copy of each OJT contract that is given to the employer and the participant.** The Terms and Conditions that are sometimes referred to as the contract "boilerplate" are the standard assurances that the parties to the contract must give. The language contained in this section of the contract reflects the compliance requirements of the WIOA; the Department of Labor's implementing regulations, the State of Washington WIOA Policies, other relevant federal and state laws, and local policies adopted by the Workforce Council. (See Appendix for relevant WIOA Provisions.)

Each clause of the Terms and Conditions should be carefully explained to the potential OJT employer prior to execution of the contract. Coordinators should be familiar with all Terms and Conditions. If an employer is reluctant to enter into an OJT contract because of any of these Terms and Conditions and proposes a modification, the request must be brought to the attention of administration through the Workforce Program Manager. Changes to the Terms and Conditions may only be approved by the Executive Director, Deputy Director or designee.

H. **COLLECTIVE BARGAINING:**

Whenever on-the-job training is proposed for a job that is covered under a collective bargaining agreement, it is necessary to get written concurrence on the OJT contract from the appropriate union representative. The correct contact can most often be obtained directly from the employer.

There is no standard approach to obtaining union concurrence. Depending upon the relationships that exist, the employer may wish to take the lead in contracting the union. In most instances, it will be incumbent upon the Coordinator or Workforce Programs Manager to make the necessary contact, explain the purpose of the program, review the specifics of the proposed training including the wage rate, and to obtain written concurrence. Contact may sometimes be limited to telephone and mail due to the location of the union official. Whenever possible, however, a face-to-face meeting should be arranged if no previous relationship has been established. Note that the WIOA requires that the Workforce Council must neither promote nor deter union organizing. If a proposed OJT agreement surfaces issues of disagreement or dispute between the union and the employer, the NWC administration must be informed through the Workforce Programs Manager.

I. **APPROVAL OF CONTRACTS:**

The initiation of an OJT contract requires several steps of approval. Prior to negotiating the details of the contract, an OJT Worksheet should be completed and reviewed by the Workforce Programs Manager.

Next, the proposed contract that includes all required informational items is reviewed by the Workforce Programs Manager. Upon approval, the contract must be signed by the Workforce Programs Manager, the authorized representative of the business, the union representative if applicable, Coordinator and the trainee prior to the start of the contract.

Reimbursement of wages under the contract will not begin until the official contract start date.

J. **MODIFICATIONS:**

It is not uncommon for circumstances to change after an OJT contract has commenced. Contracts may therefore be modified to best suit the respective and mutual needs of the employer, the Workforce Council, and the trainee. All modifications must be in writing, and signed and dated prior to the effective date of the modification. Oral modifications of OJT contracts are not valid.

OJT contracts may require modification for a variety of reasons. These can include:

1) changes to the training plan to more accurately reflect the training that will be provided. This may entail a "planned" modification at the end of a two-week assessment period, or an unplanned change in the training due to business necessity, learning difficulties, or newly discovered aptitudes;

2) wage increases for the trainee that the employer agrees to implement during the training period that were not provided for in the original contract document (Note that a wage increase will result in a reduction to the training duration if the total financial obligation is not increased);

3) extension of the contract end date to accommodate a brief period of illness, layoff, or other unexpected contingency that interrupted the training, or foreshortening of the contract to reflect a reduction in the number of training hours;

4) supplemental training, clothing and tools that were not identified in the initial contract and have subsequently been identified as necessary and reasonable.

Contract modifications must be approved in the same manner as the initial contract. An On-the-Job Training Contract Modification Form must be completed along with a revised Training Plan when necessary.

K. **TERMINATION:**

An OJT contract may terminate because:

1) it has been successfully completed and the trainee is retained as an employee;

2) it expires at the ending date or the completion of the specified training duration although the trainee is not retained (Note that when a trainee's failure to achieve the employer's expectations suddenly emerges at the conclusion of the contract, it is a significant factor in the decision whether or not to re-contract with the employer. Usually unsuccessful performance will be identified earlier in the contract and the contract should be cut short if efforts to intervene are not successful.);

3) the trainee quits or is fired (Efforts should be made to contact both the trainee and the employer to determine the reason(s). The employer should not fire a trainee without first contacting the Coordinator for assistance in correcting the problem unless the trainee has exhibited particularly egregious behavior);

An OJT contract may also be terminated if:

1) the trainee is determined to be ineligible for WIOA;

2) the Workforce Council experiences a reduction in grant funds prior to the ending date of the contract;

3) the employer fails to provide the training that was specified in the Training Plan included in the contract;

4) the employer violates a material term of the contract such as displacement of a regular employee, violation of regulations governing employment of a minor, significant safety violations, or failure to pay the trainee at the agreed-upon wage rate and/or pay schedule.

Coordinators must immediately report violations of the OJT contract to the Workforce Programs Manager. The Workforce Programs Manager will evaluate whether the violation is correctable or whether the contract should be recommended for termination. The Workforce Programs Manager has the authority to suspend an OJT contract pending investigation and correction. All suspensions should be reported to administration for follow-up action. An OJT contract that is terminated as a result of serious violations of the Terms and Conditions may result in efforts to collect repayment of wage reimbursement and/or referral to Federal authorities for investigation where there is an indication that fraud may have occurred. These actions are always initiated by administrative staff.

Coordinators should not initiate contact with any employer under suspension or attempt to investigate unless specifically directed to do so.

L. NEPOTISM

No person participating in the OJT program shall be “hired” by and/or “supervised” by a relative of that person. For the purpose of this policy, relative is defined to include: mother, father, son, daughter, grandfather, grandmother, grandson, granddaughter, sister, brother, uncle, aunt, niece, nephew, cousin, step-parent, step-child, foster parent, foster-child, mother-in-law, and brother-in-law.

An individual who “hires and/or supervises” refers to an individual who exercises authority to hire for the position, provides day-to-day training or direction, or keeps time and attendance records. In addition, owners are included as supervisors/hirers since they have general authority to supervise, hire, and dismiss.

Individual owners of organizations, cooperatives and corporations with more than 20 owners shall not be considered an owner in regard to this policy directive.

VIII. REIMBURSEMENT PROCESS

The OJT contract specifies the rate of pay that will be provided to the trainee by the employer and the percentage rate of reimbursement that will be provided by the Workforce Council to the employer. Reimbursement to the employer is initiated by submittal of a monthly OJT Reimbursement Voucher. Several conditions of the OJT contract reference the voucher and the requirements that must be met for regulatory compliance.

A. TIME AND ATTENDANCE:

The employer is required to maintain daily attendance records for each trainee employed under an OJT contract at the work site. These records may be kept in any of several ways including sign-in/out sheets, time clocks, or other time cards that record hours worked. The actual form is less important than the existence of accurate and verifiable records that must be maintained and made available to the Workforce Development Council upon reasonable request. Good administrative practice necessitates that verification be made by signatures of the trainee and supervisor. The hour of employment thus recorded are then reported to the Workforce Council on the Reimbursement Voucher.

B. VOUCHERS:

The Reimbursement Voucher must be completed in its entirety and submitted to the Workforce Council on a monthly basis. A Coordinator may help to insure timely reimbursement by picking up the voucher from the business as part of the regular monthly contact.

The voucher documents that the reimbursement request is properly computed by recording: the number of hours worked by the trainee on a daily basis (as stated in the previous subsection) during the specified monthly period; and calculation of the reimbursement due by multiplying the total hours worked by the pay rate and the reimbursement rate. Additionally, it serves to document that the reimbursement is provided in exchange for training by recording whether training is progressing on schedule and recording a brief evaluation of the trainee's performance.

Lastly, signatures of the trainee and the employer attest to the accuracy of the information contained on the voucher. Occasionally circumstances arise that make it impossible for the trainee to sign the voucher. This may occur when the trainee has left the job unexpectedly or was fired or when absence due to illness or change in work schedule prevents timely signature. In these instances, the voucher may still be processed for payment if it is accompanied by payroll records that document that the trainee has been paid at the contracted rate for the hours included on the voucher.

Incomplete vouchers should not occur on a regular basis. Repeated occurrences indicate that there is likely an issue at the training site that should be examined by the Coordinator. It is important that the evaluation of the trainee's skills and progress be used to provide regular feedback to the trainee to improve performance and provide positive reinforcement. Unsigned vouchers highlight that, at a minimum, a communication problem may exist. All vouchers are

reviewed and initialed by the Coordinator prior to submittal.

The Workforce Council also requires that each Reimbursement Voucher submitted for each trainee must be accompanied by a copy of the pay stub (or cash pay receipt) that documents that the participant has been paid, that the pay rate matches the contracted amount, and that appropriate deductions as required by law and the contract have been made.

C. HOLIDAYS, VACATION, AND SICK LEAVE:

Although some trainees may be paid by the employer for holidays, vacation, and/or sick leave, the Workforce Council cannot reimburse the employer for this time. The NWC requires an employer to pay the trainee these "benefits" if they are provided to similarly situated employees. However, because the reimbursement is for training, it cannot be provided for time that is not spent in training.

For a trainee who is paid on an hourly basis, proper reimbursement can be calculated by simply deducting the holiday, vacation, and sick leave hours from the reimbursement calculation on the voucher. For a trainee who is paid a monthly salary, however, a standard approach must be used to prorate the reimbursable portion of the salary. The reimbursable salary is deemed to be the percentage of the month calculated by the actual number of hours worked divided by the total number of hours available to be worked in that month had there been no holidays, vacation, or sick leave.

Prorating is done on the basis of the actual month in order to ensure that reimbursement will never exceed 50% of the wage paid for training. (Note that where monthly salary is paid for a training position that begins or ends part way through a month, the reimbursement may be calculated either by documenting the actual gross pay received by the trainee or the same prorating method.)

D. OVERTIME:

An employer is generally required to pay the trainee at a rate of 1.5 time the normal hourly pay rate for hours worked in excess of 40 per week (overtime). The Workforce Council will not, however, reimburse the employer at 50% of the overtime hourly pay rate but will reimburse at 50% of base pay for hours in excess of 40 per week.

It is presumed to be the employer's choice to employ the participant for more than 40 hours per week. Reimbursement at a higher pay rate would reduce the number of hours of reimbursable training for a given contract dollar obligation. Thus, to ensure that the trainee receives the agreed-upon training, the reimbursement rate is kept at the regular rate of pay.

Excessive or continual use of overtime may indicate other issues associated with training or employment. Where there are more than 8 hours of overtime for each of two weeks in a month, the Coordinator should determine why the training could not be accomplished within the planned workweek.

E. PAY RAISES:

Reimbursement will be made to the employer only at the rate of pay specified in the OJT contract. When a pay raise is planned and included in the OJT contract, the new rate of pay is used to calculate the reimbursement beginning with the effective date of the raise as specified in the contract only if the trainee actually receives the new pay rate as planned. The Coordinator should verify that the pay raise has been implemented before approving the voucher.

Occasionally an employer may wish to provide a pay increase to the trainee that was not planned for in the original OJT contract. If the pay raise is given because all (or other) employees are also to receive a raise, it may be warranted to modify the OJT contract to increase the wage rate and the total dollar amount of the contract. If the pay raise is being given to the trainee because the trainee is learning more rapidly than anticipated and is becoming more productive, then it may be warranted to increase the contract wage rate without increasing the total dollar amount of the contract. The resultant decrease in the number of training hours will be proportional to the more rapid training progress.

IX. MONITORING AND EVALUATION

Monitoring and evaluation play a critical role in insuring that the goals of the OJT are achieved. In basic form, monitoring activities are distinguished from evaluation in that monitoring examines the process of compliance with the OJT contract, the regulations, etc. whereas evaluation focuses on the achievement of the training objectives and where that progress fits into the overall goal for the participant.

Monitoring entails the regular examination of performance to ensure that the employer is complying with the Terms of Conditions of the contract. This includes a determination of whether training is being provided in accordance with the plan, payment of wages is timely and at the specified rate, and the maintenance of records and working conditions are in keeping with the contract "boilerplate."

Effective monitoring requires the desk review of all correspondence from the employer, including monthly OJT Reimbursement Vouchers. Vouchers should be reviewed in the light of the contract itself to verify wage rate, hour limits, etc., but should also be compared to previous vouchers to identify trends in attendance and performance evaluations. Information reported on the voucher may trigger the need for an immediate on-site visit.

Additionally, regular visits to the OJT training site by the Coordinator are essential. At a minimum, a monthly visit to each site is required. Observation of the workstation and interviews with both the trainee and the supervisor, preferably in separate locations, should be used to determine whether benefits and working conditions remain unchanged and whether the trainee is being paid on time at the proper rate. Any deviations from the contract should be dealt with promptly, either

with an appropriate corrective action plan or by suspension or termination of the contract if serious violations have occurred. Care must be taken to avoid the loss of employment for the trainee by imposition of inflexible standards or unduly harsh penalties for the employer.

The training plan is used to guide the trainee evaluation process. In addition to the monthly evaluation that is included on the OJT Reimbursement Voucher, the training plan is used to measure and document skill acquisition and the progress of training. Depending on the contract length, the training plan should be used at least twice, at mid-point and near the conclusion of the contract, to evaluate the trainee's progress. Evaluation is not, however, limited to two sessions and should be scheduled on an as needed basis to accommodate the unique nature of the arrangement. Use of the training plan in this fashion serves three important purposes:

- 1) **Adjustment of the training plan.** By identifying the skills that have been attained and those that require continued instruction, the intensity of the training can be focused on the areas most in need of attention.
- 2) **Retention by the employer.** A favorable evaluation serves to convince the employer to retain the trainee as a regular employee. A well-constructed OJT training plan sets out measurable performance requirements that represent the skills of an entry-level worker who would have been hired without the need for OJT. The decision to retain the trainee after a favorable training evaluation can be made with confidence that the trainee can perform substantially at this level.
- 3) **Reassignment of the trainee.** When the evaluation documents that the trainee is not making adequate progress, action should be taken to remedy the problem. If improvement does not result, it is often wise to reassign the trainee to a different activity or other, more appropriate OJT. **Timely intervention will avoid failure on the part of the trainee, waste of program resources, and disenchantment on the part of the employer.**

A copy of each skill evaluation must be maintained in the participant's file. The skill evaluation is used to document each attainment.