

Cape Fear Local Policy No. P-WDB-005-2018

Subject: CFWDB On-The-Job Training Policy

Purpose: On-the-Job Training (OJT) presents North Carolina the opportunity to expand and enhance workforce service delivery to the state's citizens especially those hardest hit by the recession and ongoing high unemployment rates. OJT is a viable pathway for unemployed workers seeking employment and for employers seeking workers. It offers the unique opportunity to offset initial training costs to fill skilled positions while building organizational productivity as the employee learns job requirements. An OJT arrangement can be the impetus for an employer to create a job opportunity. Local Workforce Development Boards should consider OJT placements in the context of in-demand occupations or industries where career pathways exist with employer partners who have a documented plan to add jobs.

Policy: On-the-Job training is defined in WIOA Section 3(44) as training by an employer that is provided to a paid participant while engaged in productive work in a 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 percent (see note below) of the wage rate of the participant for the extraordinary costs of providing the training and additional supervision related to the training; and
- (c) is limited in duration as appropriate to the occupation for which the participant is being trained, taking into account the content of the training, the prior work experience of the participant, and the service strategy of the participant, as appropriate.

Action: On-the-Job Training is a viable and compatible part of North Carolina's Integrated Service Delivery product box. Local Workforce Development Board OJT policy is critical for consistency, for institutionalizing services the local Board seeks to deliver, and for managing and leveraging OJT funds. Local OJT policy also provides guidance on how to comply with federal and state OJT requirements, and leverage other hiring incentives such as Work Opportunity Tax Credit (WOTC) or the federal HIRE initiative that assists offenders gain employment.

NOTE: The Division of Workforce Solutions (DWS) approved an increase in the amount of reimbursement described in WIOA Section 3(44) and WIOA Section 134(c)(3)(H) up to seventy-five percent (75%) of the wage rate of the participant. Up to seventy-five (75%) percent for employers with 250 employees or less and up to fifty (50%) percent for employers with 251 or more employees.

Local Workforce Development Boards must adhere to the Division of Workforce OJT policies and use the Division of Workforce Solutions included forms when providing local

WIOA On-the-Job Training services. An updated local OJT policy will be submitted as an Administrative Adjustment to the Local Workforce Development Plan when changes are made.

Participant Eligibility

On-the-Job training (OJT) may be provided to eligible Workforce Innovation and Opportunity Act (WIOA) participants who are assessed and found to be in need of and suitable for training services in order to obtain or retain employment that leads to self-sufficiency. The participants must demonstrate a need for training as recorded on the Individual Employment Plan (IEP).

Employers will have the final selection authority for individuals to be hired. All trainees must meet certain WIOA eligibility criteria before training can begin. Only those individuals who meet the eligibility requirements for intensive services, who have received assessment and for whom an IEP has been developed may be considered for OJT. An individual referred as a potential candidate for OJT by an employer (reverse referral) may be considered for OJT with that employer only after the individual has met eligibility requirements for intensive services, has received assessment, and for whom an IEP has been developed that indicates OJT is appropriate.

Consideration should be given to the skill requirements of the occupation, the academic and occupational skill level of the participant, prior work experience, and the participant's IEP. The results of objective assessment, as documented on the individual's IEP, must indicate that the participant is in need of, and can benefit from, the activity of OJT. The IEP must capture the past work history of the applicant from the official file, assess the test results, capture additional information from the applicant about past work experience, hobbies, volunteer experience and identify strengths and weaknesses of the applicant. It must include documentation as to the new skills to be acquired during training and how skill gap deficiencies will be overcome with the training.

Employer Eligibility

On-the-Job training is primarily a "hire first" program; the trainee becomes an employee of the company prior to the beginning of the training program. Hiring and training may begin after the OJT Pre-Award Analysis form has been completed and the OJT Employer Agreement has been signed by all parties. The trainee becomes an employee of the company on the day the OJT begins.

Staff should give careful consideration when selecting a suitable employer for OJT. General business practices in terms of working conditions (safety, health), the availability of health benefits, sustainable wage structure, turnover rates, adequate staff and equipment to carry out the training, and whether the employer is in compliance with federal, state and local laws are factors to consider while completing the OJT Pre-Award Analysis form.

When considering an employer to participate as an OJT worksite, staff should carefully review and determine the nature of the employment to ensure the employment is on-going and not temporary, probationary or intermittent employment.

An On-the-Job Training contract must be limited to the period of time required for a participant to become proficient in the occupation for which training is being provided. In determining the appropriate length of the training, consideration must be given to the skill gaps that exist when comparing the skill requirements of the occupation and the academic and occupational skill level of the participant, prior work experience, and the participant's IEP.

The goal of the On-the-Job training is retention of the trainee by the employer following the successful completion of the training.

Contract Requirements

On-the-Job training contracts require that the wages paid to trainees be at least the prevailing entry wage for any specific occupation in the community. If the employer operates under a collective bargaining agreement, the wage and benefits must be those specified in that union agreement and the job opening must be cleared with the appropriate union.

The employer must comply with the requirements of the Civil Rights Act with respect to equal opportunity in employment for the OJT position, as well as comply with all federal, state, and local laws.

Trainees hired under this program will be subject to the same personnel policies, rules and regulations, afforded the same benefits, and compensated at the same rates as other employees of the company.

Employers must carry Workers' Compensation Insurance and make federal and state tax withholdings as required by law. In addition, the individual trainee payroll tax records must be maintained and available for review for a minimum period of three years after the end of the training period.

Conditions of employment and training will be in full accordance with all applicable federal, state, and local laws (including but not limited to health and safety laws), and be appropriate and reasonable with regards to the type of work undertaken and the proficiency of the participant.

The employer must certify that the participant will not displace any regular employee of the employer and that no person was displaced as a result of the relocation of the current business within the previous 120 days of signing the OJT Contract Agreement.

The OJT employer will agree to adhere to the local Workforce Development Board's grievance process if a complaint arises in connection with the OJT trainee and/or the training.

On-the-Job training participants will not be employed to carry out the construction, operation or maintenance of any part of a facility that is used or to be used for sectarian instruction or as a place for religious worship, or be required to participate in religious activities.

No individual (neither new hire nor incumbent worker) may enter an OJT position if a member of his/her family is engaged in an administrative capacity with the OJT employer, including a person with selection, hiring, placement or supervision responsibilities for the OJT trainee.

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 by any federal department or agency.

The OJT employer will maintain and make available for review all time and attendance, payroll, and other records to support amounts reimbursed under OJT contracts.

A participant may not be trained under an OJT contract at a particular employer if:

- 1) any other individual is on layoff from the same or substantially equivalent job;
- 2) the employer has terminated the employment of any regular, unsubsidized employee or otherwise caused an involuntary reduction in its workforce with the intention of filling the vacancy so created with the WIOA participant; or
- 3) the job created in a promotional line that infringes in any way on the promotional opportunities of currently employed workers.

Skills Gap Analysis/Training Plan Development

Following the execution of the OJT Employer Agreement, an individualized OJT Training Plan must be developed for the acquisition of skills that the trainee does not already possess. Skills the trainee acquired from previous work or life experiences are transferrable and can be used in every occupation, regardless of the type of work. Transferrable skills are unlike job-related skills, which tend to be used only in one type of work. This plan will contain occupationally specific skills that the employer requires for competency in the OJT occupation. On-the-Job Training funds should not be used for orientation to standard operating procedures of the employer. An analysis of the trainee's prior work history, transferrable skills and the job skills gained must be compared to the job skills/job description the employer requires in the OJT occupation. 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 O*NET Online database for that particular occupation will be used

and adjusted to determine the length of training necessary to acquire the needed skills. Each skill description should be concise, but comprehensive and the individual tasks should be measurable and observable. The specific types and sources of information used to identify the scope of the skills gap must be included in the participant's case file.

There are a number of assessment tools available that may be used to conduct a skills gap analysis and provide adequate documentation of the process used to develop the Training Plan. These include Prove It! an Internet-based assessment tool used to determine an individual's level of skills in a particular occupation and to document skill deficiencies, as well as the O*NET Online website and www.myskillsmfuture.org which have both been developed by the U.S. Department of Labor.

Trainee Skill Evaluation

At the midpoint of training, the trainee's acquisition of the required occupational skills on the Training Plan will be evaluated by the employer/supervisor using the OJT Training Evaluation Form. This is an opportunity for the employer/supervisor and the trainee to interact and review the skills progress made by the trainee and to make any necessary adjustments to the training shown in the Training Plan.

The Trainee Evaluation Form will also be used at the conclusion of training to document the mastery of the required skills. Completion of the final skills evaluation section of the form signals the successful completion of the Training Plan and agreement by the employer to retain the trainee.

General Provisions

The Cape Fear Workforce Development Board has developed written OJT policies that address the following nine elements, at a minimum as outlined in DWS Policy Statement PS 04-2015:

1. Outreach and recruitment of OJT Participants

The OJT program is customer-focused and the development of OJT contracts is primarily directed at locating employers for specific clients. Consideration for OJT training shall be offered to those most severely disadvantaged in terms of length of time unemployed and lacking the education, training or work assistance for obtaining employment without assistance from the OJT program. A client is considered to be OJT – ready if he or she:

- a) Has been assessed and for whom OJT has been documented as an appropriate activity in his or her Individualized Employment Plan. The IEP must document how the training length was determined and shall include a justification in each case where the length of training exceeds that of the SVP level.
- b) Has identified an occupational area for which immediate employment is a realistic goal.

- c) Has the interest and aptitudes necessary to begin an OJT position in a specific occupation.
- d) Has a general knowledge of the expectations of the workplace: i.e., attendance, punctuality, adhering to workplace requirements, acceptable dress and grooming, performing job duties, accepting supervision, dealing with co-workers, and in general accepting responsibilities that are associated with employment.
- e) Has resolved or has plans to resolve such employment barriers as transportation, day care, housing, health, or other barriers that can prevent successful OJT participation.
- f) Has a positive attitude toward working and is eager to begin OJT participation.
- g) Does not lack the basic skills needed to perform on the job. Such basic skills may include but are not limited to math, reading, understanding the English language and others that are necessary to begin OJT training.
- h) Does not have significant prior experience and/or education in the occupational area for which OJT is being considered.
- i) Has not already completed training for a given occupation under a previous OJT contract. (Approval must be granted by the Local Area before WIOA participant is referred for or enrolled under a second OJT contract).
- j) A client is considered to be OJT – ready if he or she meets these requirements and thus is prepared and motivated for employment but lacks the specific occupational skills required for employment.

The OJT program may not be used to train workers currently attached to an employer's payroll. OJT is designed for individuals whose skill levels are inadequate to gain employment without special consideration from an employer. The hire first, train later aspect of OJT simply allows employer to select employees from among eligible applicants referred to the employer. Again, these clients should be individuals who cannot reasonably expect to secure employment without subsidized training. OJT should not be used to train individuals in an occupation for which they already possess the appropriate skills. As an exception, a client may be enrolled in OJT with existing skills when his/her unemployment period extends beyond 13 weeks prior to enrollment. The training time must be reduced based on the participant's existing skills by the amount of time associated with acquiring the skills the participant has acquired prior to this training.

Nepotism is prohibited. No person shall be placed in an OJT position if a member of his or her immediate family occupies an administrative position with the employer, which has selection, hiring, placement or supervisory responsibility for OJT participants. "Immediate family" shall include wife/husband, son/daughter, mother/father, brother/sister, son/daughter-in-law, mother/father-in-law, stepparent, stepchild, grandparent and grandchild. (See Section 3 Contract Requirements, page 3)

2. Skills gap Analysis and Training Plan Development

See previous section – Skills Gap Analysis/Training Plan Development.

3. Employer marketing strategies

It is obvious that to exist an OJT program must have participation by employers. To be successful the program must not only have the employers' participation but also their commitment. OJT should be marketed to employers in order to create a partnership. This requires:

1. Knowing the product – OJT.
2. Knowing the customer – the employer.
3. Knowing what the product can do for the customer.
4. Communicating the above information to the customer.

If the marketing of OJT has been done successfully the employer, once the customer, will become a partner in employment training. The benefits of this partnership will be:

1. A greater commitment from the employer.
2. A shared vision of the future.
3. Greater communication and exchange of information.

All of the above will result in better training and career development for the participant.

4. Reverse referral Policy

On-the-Job training is primarily a “*hire first*” program; the trainee becomes an employee of the company prior to the beginning of the training program.

OJT funds may not be used for persons whom the employer would have hired anyway in the absence of OJT funding. Employer referrals (“reverse referrals”) may be enrolled only in cases whereby the applicant meets the client eligibility standards and the employer certifies they would not have hired the applicant in the absence of OJT funds. Documentation must be maintained on employer referrals.

5. OJT supportive services policy

WIOA Case Managers must work with the individual prior to the OJT placement to ensure that transportation, child care and other supportive service needs are met. The contractor is authorized to pay transportation costs from the customer's home to the place of business and return until the customer receives the first company OJT paycheck. Contractor staff are authorized to pay child care/dependent care costs until the participant receives the first paycheck. Services provided after the first paycheck should be obtained at no cost from partner agencies or services available from community providers.

6. OJT contract development

It is the responsibility of the contractor to develop and negotiate the OJT contract. Priority shall be given to employers within the growth industries who offer jobs reflecting the use of new technological skills.

Contract negotiations must be conducted with the employer/owner or a person who has the authority to act on behalf of, and make decisions for, the company. The negotiation process must include a review of the WIOA-OJT contract rules and regulations in order to lessen audit exceptions and problems of non-compliance with the WIOA and contract rules.

The cost of training will be determined as a result of negotiating the program content and the length of training to be given the employee. The present skill level of the participant, the specific job duties of the training position and the quality of training will determine the length of the contract and the cost of training. The job description must accurately reflect the duties of the job. By obtaining a thorough job description from the employer, and the average amount of time an employee will spend on each of the job duties within the position, a correct occupational code can be assigned and the proper length of training for the contract can be negotiated within the specified allowable maximum.

Contracts will not be written with private placement agencies.

7. Coordination of case management and business services functions

The Business Services Representative working with the Career Center Employer Services Representative and the Local Veterans Employment Representative conduct employer outreach in the Local Area. As a part of their efforts they promote the services of the Career Center including the On-the-Job Training program. If the employer contact nets an employer interest in an OJT contract the Employer Service Representative communicates with the Case Manager to identify potential employees for referral to the employer. The Employer Services Representative is responsible for contract development, communications with the employer and the case manager for participant referral and final hire by the employer.

8. Reimbursement policy and invoicing procedures

Reimbursement to employers will be based on a fixed unit cost of the participant's wage times the allowable number of training hours. Employer reimbursement should fairly represent compensation for the extraordinary training and lower productivity of OJT participants. Reimbursement is limited to hours actually worked.

The two indices which determine employer reimbursement are the length of training and the hourly reimbursement rate, not as a percentage of wages, but a fair representation of the cost of extraordinary training and lower productivity. Two factors which should be considered in making this determination include:

1. Appropriate length of the training period based on average requirements for the occupation, adjusted for the OJT participants' needs and capabilities; and
2. Assessment of the difference between skill levels required for the job and the OJT participant's current skill level.

The Local Area has developed an invoice to report OJT expenditures. This invoice is designed for ease in reporting employer/subcontractor OJT costs while maintaining the fiscal integrity of the WIOA OJT program. It is important that care be exercised when completing the subcontractor's portion of the invoice. Errors or omissions may delay payment of the invoice. The information contained on each invoice is subject to audit under the terms of the subcontract agreement and must accurately represent the subcontractor's payroll records. Reimbursement should be compatible with the subcontractor's payroll period or payment schedule reflected in performance-based subcontracts. This invoice is flexible and may be used to report four one-week payroll periods, two bi-weekly payroll periods, one monthly payroll-period, or periods covered by performance-based benchmarks. If a person other than the designated signatory official signs the invoice, a letter of authorization must be forwarded to the Career Center office listed on the signatory page.

9. Financial and programmatic monitoring

The trainee's progress under an OJT contract will be formally monitored at least once during the training period by the staff of the agency responsible for the development of the contract. Periodic communication with the OJT employer/supervisor and the trainee during the training period is required to insure the successful completion of training.

The monitoring of OJT contracts shall be the responsibility of the contractor. The onsite monitoring reviews should be performed by a staff member other than the person who negotiated the contract. The person assigned as monitor must be knowledgeable of WIOA participant eligibility and OJT contracting policies and procedures.

The monitoring should at a minimum include the following: compliance with the training plan/statement of work, participant eligibility check, comparison of time and attendance with invoices, comparison of contracted wage-rate vs. wages paid, and start date of employment vs. contract start date.

For OJT contracts of 1040 hours or less, a monitoring review will be conducted when the first invoice is completed and a second monitoring review will be conducted when the last invoice is completed. For OJT contracts of more than 1040 hours, a monitoring review will be conducted when the first invoice is completed, a second review will be conducted at the midpoint of the contract, and a third review will be conducted when the last invoice is completed.

A monitoring review will also be conducted whenever there are indications of problem areas, i.e., layoffs or rumors of layoffs, decrease in hours of training as reported, complaints from participants (either formal or verbal complaints), rumors of employer filing for bankruptcy, etc.

The contractor monitoring review should be documented and this written documentation shall become part of the contract file.

The employer will be required to repay to the Contractor any and all WIOA funds which are determined by audit to have been spent on activities not in compliance with the provisions of the contract because of inadequate, incomplete or unavailable records and evidence.

4. OJT Forms

The forms listed in Attachment B of the North Carolina Department of Commerce Division of Workforce Solutions DWS Policy Statement Number: PS 04-2015 are the official documents to be used when conducting WIOA-funded On-the-Job training activities and are to be completed sequentially. The OJT package is incomplete if all forms (Pre-Award Analysis, Employer Agreement, Training Plan, and Training Evaluation) are not completed.

Effective Date: April 20, 2018

Expiration Date: Indefinite

Contact: Cape Fear Workforce Development Board Director

Distribution: CFWDB WIOA Providers
CFWDB Staff
NC Division of Workforce Solutions

Attachments: **Attachment A:** PS 04-2015 On-The-Job Training Using Workforce Innovation and Opportunity Act (WIOA) Funds
Attachment B: DWS On-The-Job Questions and Answers, June 2016

ON-THE-JOB DOCUMENTATION CHECKLIST

1. OJT EMPLOYER

<input type="checkbox"/>	Employer Company Information (Website and Department of Secretary Annual Report)
<input type="checkbox"/>	Pre-Award Analysis Employer Eligibility Complete
<input type="checkbox"/>	Authorized Signatures
<input type="checkbox"/>	Proof of Insurance (Worker's Compensation and General Liability Certificates of Insurance)
<input type="checkbox"/>	Employer Agreement (Contact info., Contract % Wage Reimbursement, Authorized Signatures)
<input type="checkbox"/>	Job Description and Job Order (Special "OJT" Noted)
<input type="checkbox"/>	NCWorks Enrollment Employer Case Notes Completed for Tracking Purposes
<input type="checkbox"/>	Communications with Career Advisors and Follow Up

2. EMPLOYEE-OJT TRAINEE

<input type="checkbox"/>	NCWorks Enrollment and Employee Case Notes Completed
<input type="checkbox"/>	Employee Resume
<input type="checkbox"/>	My Skills My Future and O*Net Summary Reports on the OJT Position with SVP Codes
<input type="checkbox"/>	NC 60-Skills Gap Analysis (Outline of the skills and hours needed to become proficient in a position)
<input type="checkbox"/>	Comparing Job Description, Participant Work History, Skills Gap and Education Level
<input type="checkbox"/>	OJT Training Plan & Justification Narrative stating Case for OJT (Ask employer if a documented training plan list already exists)
<input type="checkbox"/>	Communications with Center Manager and Business Service Representatives

3. EMPLOYMENT FORMS

<input type="checkbox"/>	I-9, NC-4, Federal Withholding Forms Maintained with Employer and Employer Orientation Checklist of Company Policy and Procedures
<input type="checkbox"/>	Time Sheets (Verified for accuracy for each pay period)
<input type="checkbox"/>	Invoices
<input type="checkbox"/>	Paystubs

4. OJT TRAINEE EVALUATION

<input type="checkbox"/>	Mid-Term Evaluation
<input type="checkbox"/>	Final Evaluation of Skills Completed
<input type="checkbox"/>	Work Site Visits and Case Notes Entry into NCWorks
<input type="checkbox"/>	Career Advisor Close Out Activity and Code 65 Data Entry Completed

OJT Provider: _____
On-the-Job Training (OJT) Contract: Pre-Award Analysis

Section 1: Employer Information

Complete the following Employer Information		
COMPANY NAME:		FEIN #:
CONTACT PERSON:		TITLE:
COMPANY ADDRESS:		
PHONE:	FAX:	EMAIL:
TYPE OF ORGANIZATION: PRIVATE FOR PROFIT <input type="checkbox"/> PRIVATE NON-PROFIT <input type="checkbox"/> PUBLIC <input type="checkbox"/>		
COMPANY NAICS CODE:	# OF CURRENT EMPLOYEES IN THIS LOCATION:	YEARS IN EXISTENCE:

Section 2: Criteria for OJT Employers

YES	NO	Employer Requirements
<input type="checkbox"/>	<input type="checkbox"/>	1) Does the employer agree to ensure that the OJT will not result in the replacement of laid-off workers?
<input type="checkbox"/>	<input type="checkbox"/>	2) Does the employer ensure that the company has not exhibited a pattern of failing to provide OJT trainees with continued long-term employment?
<input type="checkbox"/>	<input type="checkbox"/>	3) Does the employer commit to providing long-term employment for successful OJT trainees, barring unforeseen economic conditions?
<input type="checkbox"/>	<input type="checkbox"/>	4) Does the employer agree to ensure that the OJT will not result in the full or partial displacement of currently employed workers nor will it infringe on promotional opportunities of current workers?

<input type="checkbox"/>	<input type="checkbox"/>	5) Does the employer agree to ensure that trainees will be provided the same 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?
<input type="checkbox"/>	<input type="checkbox"/>	6) Does the employer agree to ensure that trainee wages to be paid are at least equal to both: a) the Federal, state or local minimum wage (Fair Labor Standards Act), and b) other employees in the same occupation with similar experience?
<input type="checkbox"/>	<input type="checkbox"/>	7) Does the employer agree to ensure that trainees are provided with the same workers' compensation coverage as regular, non-OJT employees? a) Worker's Compensation Company: _____ b) Account #: _____ c) Effective Dates: _____ to _____
<input type="checkbox"/>	<input type="checkbox"/>	8) Does the employer agree to ensure that the OJT will not result in the impairment of existing contracts for services or collective bargaining agreements?
<input type="checkbox"/>	<input type="checkbox"/>	9) Does the employer agree to ensure that OJT funds will not be used to directly or indirectly assist, promote, or deter union organizing?
<input type="checkbox"/>	<input type="checkbox"/>	10) Does the employer agree to ensure that WIOA funds will not be used to relocate operations in whole or in part?
<input type="checkbox"/>	<input type="checkbox"/>	11) Does the employer confirm that the company has operated at current location for at least 120 days (unless the new location did not result in the layoff of employees at another location)?
<input type="checkbox"/>	<input type="checkbox"/>	12) Does the employer agree to provide safe working conditions for OJT trainees?

Section 3: Authorized Signatures

I hereby certify that the above information is, to the best of my knowledge, true and correct.

EMPLOYER SIGNATURE:	TITLE:	DATE:
WIOA OJT AGENCY REPRESENTATIVE SIGNATURE:	TITLE:	DATE:

Section 4: Outcome of Pre-Award Interview

1. Does the employer meet all requirements (i.e. answer "yes" to all twelve questions above) of the OJT pre-award analysis? YES NO
2. Will an OJT Contract (Employer Agreement) be developed? YES NO
If not, please explain.

OJT Provider: _____
On-the-Job Training (OJT) Contract: Employer Agreement

Section 1: Contact Information

Complete the following Employer Information		
WIOA OJT AGENCY:	WIOA OJT AGENCY REPRESENTATIVE:	PHONE NUMBER/ EMAIL ADDRESS:
COMPANY NAME:		<input type="checkbox"/> STATE ACTIVITIES FUNDS <input type="checkbox"/> FORMULA FUNDS <input type="checkbox"/> OTHER (SPECIFY)
ADDRESS:		PHONE NUMBER:
EMPLOYER REPRESENTATIVE:	TITLE:	EMAIL ADDRESS:
CONTRACT START DATE:		CONTRACT END DATE:

Section 2: Contract Agreement

This contract is entered into between _____, hereinafter called the Workforce Innovation and Opportunity Act (WIOA) OJT Agency, and _____, hereinafter called the Employer.

The parties hereto agree that the Employer will employ worker(s) and provide On-the-Job Training services to individuals referred by the WIOA OJT Agency and deemed acceptable by the Employer in accordance with the associated pre-award analysis and training plan(s) attached and made a part thereof. Reimbursement will be paid pursuant to the terms and conditions set forth under the General Assurances on the reverse side of this signatory sheet. In no case shall total reimbursement exceed ___ percent of the gross wages paid to the trainee(s) during the training period. In addition, the employer agrees that it will perform under this contract in accordance with the Workforce Investment Act and the regulations, procedures and standards promulgated there under. The Employer shall comply with all applicable Federal, State and local laws, rules and regulations which relate to the employment of persons who perform work and are trained under this contract.

Individuals employed under this contract must be certified as being eligible by the WIOA OJT Agency. The Employer agrees to submit an invoice for reimbursement to the WIOA OJT Agency (). In addition, the Employer agrees to complete and submit the attached evaluation for each trainee at the midpoint and end of the training period.

Equal Opportunity Employer/Program
Auxiliary Aids and Services are Available Upon Request to Individuals With Disabilities

Section 3: Authorized Signatures

I agree to all terms, conditions, and general assurances set forth in this contract. I hereby certify that the information is, to the best of my knowledge, true and correct.

EMPLOYER REPRESENTATIVE SIGNATURE:	TITLE:	DATE:
WIOA OJT AGENCY REPRESENTATIVE SIGNATURE:	TITLE:	DATE:

Section 4: Contract Agreement Modification, if applicable

Contract Agreement terms modified:

Reason for modification or cancellation:

I hereby certify that I agree to the contract agreement modification(s) as stated above.

EMPLOYER REPRESENTATIVE SIGNATURE:	TITLE:	DATE:
WIOA OJT AGENCY REPRESENTATIVE SIGNATURE:	TITLE:	DATE:

On-the-Job Training General Assurances

1. Employer Criteria

- a. The employer must provide information such as an IRS Employer Identification number to demonstrate that they are a legitimate employer, having full-time employees, and conducting their trade or business at an appropriate worksite.
- b. The employer must not be involved in a current labor dispute and must not have a history of frequent layoffs.
- c. OJT training may not be subcontracted and must be conducted at the employer's place of business, which meets prevailing standards with respect to wage, hours and conditions of employment.
- d. Employer referrals to NC Career Centers are permitted. Eligibility and suitability for OJT must be determined and verified prior to hiring and/or the beginning of training.
- e. OJT contracts are permitted with firms in which current and/or past Workforce Development Board (WDB) members are employed or otherwise have a financial or personal interest.
- f. The employer must be in compliance with all applicable business licensing, taxation and insurance requirements. The employer must not be in violation of any local, state or federal labor laws.

2. OJT Training Occupation

- a. The OJT training occupation must not be seasonal, intermittent, or temporary.
- b. The occupation must not involve payment in the form of a commission as the primary source of payment to the OJT employee.
- c. The occupation must be one in which specific occupational training is a prerequisite for employment.
- d. The occupation must provide full-time employment. (Full-time is defined as a 40-hour work week, except where fewer or greater hours are normal to the occupation, but in no case less than 30 hours per week.) Contracts may also be negotiated for part-time employment if such negotiation is undertaken for a specific participant, but only in those instances where full-time employment is not feasible due to limitations (*i.e.*, individuals with an impairment or disability).
- e. Training may not be provided for occupations where adequate supervision and/or monitoring are not available. These may include traveling salespersons, out-stationed job positions, truck or van drivers and other positions requiring more than an occasional trip from the employer worksite.
- f. NEG/ARRA funded occupations are prohibited at casinos or other gambling establishments, swimming pools, aquariums, zoos, and golf courses.

3. Payments

- a. The employer shall be reimbursed for training costs upon timely submission of the invoice appropriately certified by the employer's signatory official. Payment shall be based on the hours actually worked for which wages are paid under each training slot, times the negotiated fixed hourly rate. Payment of overtime shall be restricted to work consistent with the training plan. Payment shall include reimbursement of costs associated with employment and training services which have been integrated into the training plan and for which wages have been paid.
- b. No reimbursement shall be made for a period of work stoppage at the employer's worksite.
- c. Each trainee's wages shall be paid in full for the period for which reimbursement is being requested prior to the transmittal of an invoice to the WDB for payment.

4. Availability of Funds

Payment for contract activity extending into the next program year is conditional on the availability of WIOA funds in that program year. No obligations will be incurred by the employer if such funds are not available. The employer will be notified in advance when funds are limited.

5. Records Retention and Review

- a. The employer shall maintain records (business receipts, payroll records), sufficient to reflect all costs incurred in the performance of this contract until the appropriate Workforce Development Board audit has been fulfilled, or until the expiration of three years from the date of final payment under this contract.
- b. The employer's establishment and records related to the participant, as may be engaged in the performance of this contract, shall be subject at a reasonable time to inspection, audit, review and evaluation by the U.S. Department of Labor, State of North Carolina, and the Workforce Development Board.
- c. The employer agrees to reimburse to the Workforce Development Board any and all funds received under this contract which are determined by audit to have been spent in activities not in compliance with the provisions of this contract.

6. Contract Modifications

This contract may be modified, terminated, or cancelled whenever it is determined that such action is in the best interest of the WIOA program or employer. Terminations, cancellations, and modifications shall be effective on the date of execution.

7. Sectarian/Religious Activities

No participant enrolled under the contract shall be employed on the construction, operation, or maintenance of any facility as is used, or to be used, for sectarian instruction or as a place for religious worship. Participants may not be trained or employed in sectarian and/or political activities.

8. Disclosure of Confidential Information

Confidential information about any trainee shall be divulged by the employer only as necessary for purposes related to evaluation of the employee's performance.

9. Nepotism

No persons shall be hired under this contract if a member of his or her immediate family is employed in an administrative capacity by the employer. The term "administrative capacity" includes those who have selection, hiring, placement, or supervisory responsibility for OJT participants and "immediate family" shall include: Wife/Husband, Son/Daughter, Mother/Father, Brother/Sister, Son-In-Law/Daughter-In-Law, Mother-In-Law/Father-In-Law, Stepparent, Stepchild, Grandparent, and Grandchild.

10. Debarment and Suspension

The employer certifies that neither he/she nor the company's principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.

11. Equal Opportunity and Non-Discrimination

The employer shall not discriminate against any employee or applicant because of race, color, religion, sex, age, disability, political affiliation, beliefs, citizenship or national origin and agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this Equal Opportunity clause. This contract is subject to the Civil Rights Act of 1964 and ensuing Regulations in 29 CFR Part 31.

12. Grievances

The employer will ensure that the OJT trainee is informed of established grievance procedures for resolving employee complaints.

13. Maintenance of Effort

Employer sponsored training in existence prior to initiation of this project shall be continued and may not be reduced in any way as a result of this contract (except for reduction unrelated to the provisions and purposes of this contract).

14. Conditions of employment

Conditions of employment and training will be in full accordance with all applicable federal, state, and local laws and ordinances (including but not limited to labor and employment laws, environmental laws or health and safety laws)

*Equal Opportunity Employer/Program
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OJT Provider: _____
On-the-Job Training (OJT) Contract: Training Plan

Section 1: General Information

Please complete the following:			
TRAINEE NAME:		JOB TITLE:	
O*NET CODE:	SVP CODE:	HOURLY STARTING WAGE: \$	HOURLY ENDING WAGE: \$
REIMBURSEMENT PERCENTAGE: %	REIMBURSEMENT RATE: \$	MAXIMUM TRAINING HOURS:	MAXIMUM REIMBURSABLE AMOUNT: \$
COMPANY NAME:		COMPANY ADDRESS:	
TRAINEE SUPERVISOR:	TITLE:	PHONE/EMAIL:	
EMPLOYER REPRESENTATIVE NAME:	WIOA OJT AGENCY REPRESENTATIVE:	WIOA OJT AGENCY REPRESENTATIVE CONTACT INFO:	
PAY SCHEDULE: Weekly <input type="checkbox"/> Monthly <input type="checkbox"/> Bi-Weekly <input type="checkbox"/> Other <input type="checkbox"/>	PAY DAY: PERIOD COVERED:	RATIO OF TRAINEES TO SUPERVISOR:	
BENEFITS AVAILABLE (list):			

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Section 3: Authorized Signatures

By signing below, I agree to adhere to the Training Outline and my responsibilities thereof.

EMPLOYER REPRESENTATIVE SIGNATURE:	TITLE:	DATE:
SUPERVISOR SIGNATURE:	TITLE:	DATE:
WIOA OJT AGENCY REPRESENTATIVE SIGNATURE:	TITLE:	DATE:
TRAINEE SIGNATURE:		DATE:

Section 4: Training Plan Modification, if applicable

On-the-Job Training Plans may require changes for which a modification is necessary. Reasons for a modification include but are not limited to:

To extend the end date of training due to illness or equipment failures at the place of business. To correct errors in the original training budget or the description of the job duties.

Cancellation.

To extend the end date in order to ensure satisfactory skill attainment.

The Employer and the OJT Agency agree that this Training Plan shall be modified as stated:

Except as hereby modified, all other terms and conditions of this training plan remain unchanged and in full force and effect. The effective date of this modification is _____.

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The employer and the OJT Agency mutually agree to abide by the terms and conditions stated and do hereby execute this modification in keeping with our respective authority.

By signing below, I agree to adhere to the modifications set forth in Section 4

EMPLOYER SIGNATURE:	TITLE:	DATE:
SUPERVISOR SIGNATURE:	TITLE:	DATE:
WIOA OJT AGENCY REPRESENTATIVE SIGNATURE:	TITLE:	DATE:
TRAINEE SIGNATURE:		DATE:

OJT Provider: _____

On-the-Job Training (OJT) Contract: Trainee Evaluation

Trainee Name: _____ Supervisor Name: _____ Company Name: _____

Section 1: Evaluation

JOB SKILLS OBJECTIVES	MIDPOINT EVALUATION OF SKILLS	MIDPOINT EVALUATION DATE	FINAL EVALUATION OF SKILLS	FINAL EVALUATION DATE
	Mastered objective <input type="checkbox"/> Satisfactory progress <input type="checkbox"/> Unsatisfactory progress <input type="checkbox"/>		Mastered objective <input type="checkbox"/> Satisfactory progress <input type="checkbox"/> Unsatisfactory progress <input type="checkbox"/>	
	Mastered objective <input type="checkbox"/> Satisfactory progress <input type="checkbox"/> Unsatisfactory progress <input type="checkbox"/>		Mastered objective <input type="checkbox"/> Satisfactory progress <input type="checkbox"/> Unsatisfactory progress <input type="checkbox"/>	
	Mastered objective <input type="checkbox"/> Satisfactory progress <input type="checkbox"/> Unsatisfactory progress <input type="checkbox"/>		Mastered objective <input type="checkbox"/> Satisfactory progress <input type="checkbox"/> Unsatisfactory progress <input type="checkbox"/>	
	Mastered objective <input type="checkbox"/> Satisfactory progress <input type="checkbox"/> Unsatisfactory progress <input type="checkbox"/>		Mastered objective <input type="checkbox"/> Satisfactory progress <input type="checkbox"/> Unsatisfactory progress <input type="checkbox"/>	
	Mastered objective <input type="checkbox"/> Satisfactory progress <input type="checkbox"/> Unsatisfactory progress <input type="checkbox"/>		Mastered objective <input type="checkbox"/> Satisfactory progress <input type="checkbox"/> Unsatisfactory progress <input type="checkbox"/>	
	Mastered objective <input type="checkbox"/> Satisfactory progress <input type="checkbox"/> Unsatisfactory progress <input type="checkbox"/>		Mastered objective <input type="checkbox"/> Satisfactory progress <input type="checkbox"/> Unsatisfactory progress <input type="checkbox"/>	
	Mastered objective <input type="checkbox"/> Satisfactory progress <input type="checkbox"/> Unsatisfactory progress <input type="checkbox"/>		Mastered objective <input type="checkbox"/> Satisfactory progress <input type="checkbox"/> Unsatisfactory progress <input type="checkbox"/>	
	Mastered objective <input type="checkbox"/> Satisfactory progress <input type="checkbox"/> Unsatisfactory progress <input type="checkbox"/>		Mastered objective <input type="checkbox"/> Satisfactory progress <input type="checkbox"/> Unsatisfactory progress <input type="checkbox"/>	

Section 2: Authorized Signatures

Midpoint Evaluation

<i>I hereby certify that the above information is accurate.</i>	
EMPLOYER SIGNATURE:	DATE:
SUPERVISOR SIGNATURE:	DATE:
TRAINEE SIGNATURE:	DATE:

Final Evaluation

<i>I hereby certify that the above information is accurate.</i>	
EMPLOYER SIGNATURE:	DATE:
SUPERVISOR SIGNATURE:	DATE:
TRAINEE SIGNATURE:	DATE:

Equal Opportunity Employer/Program

Auxiliary Aids and Services are Available Upon Request to Individuals With Disabilities

- Having satisfied the requirements of the training plan, employment continues on an unsubsidized basis.

Section 3: Comments (please explain any unsatisfactory evaluation items)

North Carolina Department of Commerce
Division of Workforce Solutions
ON-THE JOB TRAINING
QUESTIONS/ANSWERS

1. **Question:** An employer is hiring and is interested in OJT. The employer is using a temporary agency to hire for one week to see if applicants can pass the drug test before putting them on the employer's payroll. Can we use OJT with this employer?

Answer: Eligible WIOA participants who have been assessed and found to be in need of and suitable for OJT can be sponsored using OJT funds once the employer hires the individual and places him/her on the employer's payroll.

2. **Question:** Can a small employer that does not have Worker's Compensation Insurance participate in OJT?

Answer: Employers are required to carry Workers Compensation Insurance if they employ:

- Three or more employees regularly employed in the same business or establishment, or
- One or more employees employed in activities which involve the use or presence of radiation, or
- If providing agriculture or domestic services, 10 or more full time non-seasonal agricultural workers regularly employed by the employer (See N.C. Statute 97-2 (1), 97-2 (3), 97-93

If an employer falls below the threshold listed above and has no coverage, it is not a good idea to contract with them. There would be a large liability exposure to the Workforce Development Board.

3. **Question:** Over the last two years an employer has laid off a large number of their employees. The company now is interested in hiring a former employee who worked for the company as a machinist. Since being laid off the employee has received training in electronics and the employer would like to hire this former employee as an electronic technician utilizing OJT. The employer has contacted former employees who worked for the company as electronic technicians and they are not interested in returning to the company since they have secured other employment. Can the employer hire this former employee as an electronic technician and provide OJT?

Answer: Consider whether the company's business has improved to the point that they are no longer laying off, the stability of the company and the likelihood of the participant maintaining employment with this company. If the employer provides justification showing that they have made efforts to rehire former electronic technicians, the employer can hire this participant and participate in OJT.

Another factor to consider is averaging at \$14.90 per hour to meet WIOA performance standards.

9. **Question:** Is company size based on the size of the operation locally or must you consider total employment nationally?

Answer: Employer size is based on the employment of the company's local operation where the OJT placements will be made. For instance, a hotel chain that employs thousands nationwide, but only 40 at its company location in the targeted region, may be eligible for reimbursement up to 75%.

10. **Question:** WIOA participant is a contract employee for a company. The employer is interested in hiring the individual to perform the same job, if they can hire using OJT funds. Can OJT funds be used for this participant in his current position as a contract employee?

Answer: No. If the participant has been performing the functions as a contract employee, there would not be skill gaps. Although the participant may not be proficient with all the job functions, he/she has developed the skills needed for average performance.

11. **Question:** Are we required to monitor each individual OJT contract/training plan?

Answer: Each employer with whom the area has an OJT contract must be monitored at least once during the year. For employers who have many (more than 10) participants working for them, monitoring a sample of the participants will be sufficient. It is recommended that you monitor different job types. For employers with less than 10 OJT participants, you must monitor all OJT participants.

12. **Question:** Is there a state or federal regulation limitation on doing OJT where the job requires a certification or license?

Answer: WIOA Federal Regulations 680.700 does not address credentials as prohibiting the sponsorship of OJT. We do not have anything in state policy that would prohibit sponsorship of OJT for someone that is licensed or have received certification in a particular occupation. Since the Federal Regulations do not prohibit it, the state does not want to be restrictive. Of course, your local area policy governs whether your staff provides sponsorship of someone that is licensed or has credentials in an occupation.

13. **Question:** Because employers may track employee work schedule/attendance differently, what can we place in the file to document hours worked? Is a copy of the invoice sufficient when a timesheet signed by the trainee is not available?

Answer: You can develop an employee timesheet or use what has been developed for your summer youth program or any program that required that you keep track of a participant's time. You need to have the timesheet signed by the participant and the supervisor. A copy of the invoice is not sufficient to use as a timesheet.

19. **Question:** An employer has given 3 pay raises during the agreed upon OJT training time. Should you do a modification of the training plan for the employer agreement and the training plan to reflect the increase and have the employer sign?

Answer: You do not have to modify the employer agreement because the reimbursement percentage did not change. You would need to modify the training plan to reflect the pay change and the total reimbursable amount.

20. **Question:** Can OJT be sponsored for someone that an employer has made an offer of employment but the person has not accepted the position yet?

Answer: Did the employer make the offer to the individual before knowing that the candidate could possibly be sponsored through OJT? If an employer made an offer to hire someone prior to learning of the OJT possibility, you cannot sponsor. OJT is for those participants whom an employer would not hire and the OJT reimbursement is for the extraordinary time spent on training of the OJT candidate.

21. **Question:** Is there an employer OJT hourly wage reimbursement cap?

Answer: There is a wage cap for Job Driven, Dislocated Worker and Sector Partnership National Emergency Grants (NEGs). The updated hourly state wage cap for North Carolina \$20.81 effective 2/23/16. This is an increase from \$20.39. If OJT contracts were developed prior to 2/23/16 and the contract was based on the \$20.39 wage cap, there is not a need to amend the contract to reflect the increase. There is not a wage cap if you are using formula dollars for OJT.

On-the-job training employer reimbursement must not exceed 75% of \$20.81 = \$15.60 or 50% of \$20.81 = \$10.40.

22. **Question:** Can OJT be provided by an employer in the public, private non-profit, or private sector?

Answer: Yes, except for OJT National Emergency grants. OJT may **not** be created with public sector employers.

23. **Question:** Can OJT be sponsored for contract employees hired by a Temporary Employment Agency to work for a different company?

Answer: Yes, except for National Emergency grants. Please refer to the e-mail and document on OJT and Private Placement Agencies provided on November 12, 2015 from Danny Giddens for guidance in working with placement agencies providing OJT.