

**Cape Fear Local Policy No. P-WDB-005-2022**

**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.

**Reference:** North Carolina Department of Commerce Division of Workforce Solutions Operational Guidance Number OG 22-2021, Change 1

**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, 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, 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.

OJT may be used in coordination with numerous WIOA training activities. These activities may include long-term or short-term classroom training, youth work experience, transitional employment, and other activities.

### **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.

Refer to the attached OG 22-2021, Change 1, for criteria. Note that paragraph 1e of the Attachment C (On-The-Job Training Assurances) has been updated as of the date of this policy.

### **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.

The minimum training time for an OJT is 160 hours (one-month full time), anything below an SVP Code of 3 is not appropriate for an OJT Contract. Also since the maximum OJT contract is 1,040 hours (6 months full time), SVP Codes of 7 and higher indicate training windows more than the maximum OJT Training time. It is important to recognize that jobs with SVP codes of 8 and 9 will only be appropriate for candidates with very significant related experience but there still must be a clearly justifiable skills gap.

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.myskillsmyfuture.org](http://www.myskillsmyfuture.org) which have both been developed by the U.S. Department of Labor.

In many cases the SVP code and the Skills Gap Analysis conducted in consultation with the customer and the employer may result in training periods more than the six months OJT Contract. In these instances, short-term classroom training (e.g., computer skills classes, industry recognized certifications, etc.), may be a supplement to the OJT Training Plan.

### **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:

### **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**

A formal, documented process of comparing a candidate's personal skills and experiences with the requirements of the job. The skills gap analysis involves comparing the candidate's resume and/or statement of skills in the NCWorks Online registration with the job description as provided by the employer or as it is developed in consultation with the employer. The Skills Gap analysis is the primary justification for the use of WIOA OJT funds to assist the customer in learning the necessary skills and in reimbursing the employer for the extraordinary costs of supervision and training. The skills gap analysis is the foundation for the OJT Contract Training Plan and the determinant for the length of training.

## **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, childcare 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 childcare/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.

WIOA funds may be used to tools and equipment that are required by the OJT Employer as condition of employment may be purchased by the OJT Service Provider for the OJT Trainee when no other resources are available. The following conditions must apply:

- Tools and equipment provided to OJT Trainee must be necessary to complete the training objectives,
- The company does not purchase the same tools for other employees,
- Tools and equipment required of the OJT Trainee must be of the same standard required of employees in the same position within the company,
- The tools and equipment remain the property of the OJT Service Provider while the Trainee is in Training,
- The tools and equipment at no time become the property of the Employer,
- The Trainee is not to give the tools and equipment away, sell them or use them in an irresponsible manner,
- Tools and equipment are always secured. If tools and/or equipment are lost or stolen, the OJT Service Provider is not responsible for replacing them,
- The tools and equipment will be returned to the OJT Service Provider if the Trainee quits the OJT and is not employed at another Employer in the same occupation related to the OJT or if the Trainee is fired for egregious behavior; and
- The tools and equipment become the property of the Trainee when:
  - i) The Trainee completes the Training Plan and is retained by the Employer
  - ii) The Trainee accepts employment elsewhere, but the employment is related to the OJT.



## **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.

Although some Trainees may be paid by the Employer for holidays, vacation, and/or sick leave, the OJT Service Provider may not reimburse the Employer for this time. OJT rules require 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.

If the Trainee leaves during the OJT timeframe, the Employer may only be reimbursed for the Trainee's wages earned during the training period, prior to separation (in other words, documented hours beginning on the training period start date to the termination date). On the invoice, the Employer should note that the Trainee terminated employment and is no longer with the company.

The employer must submit invoices for reimbursement at a minimum of monthly, and all invoices must be submitted within 30 days following the completion of the OJT agreement. If the duration of the OJT crosses program years (June 30th), separate invoices must be submitted so that no two program years are claimed on the same invoice.

## **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.

## 10. 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 Change 1 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.

**Revised Date”**      June 1, 2022

**Expiration Date:**      Indefinite

**Contact:**              Cape Fear Workforce Development Board Director

**Distribution:**        CFWDB WIOA Providers

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



CAPE FEAR  
WORKFORCE  
DEVELOPMENT  
CONSORTIUM  
SUCCESS THROUGH PARTNERSHIP

CFWDB Staff  
NC Division of Workforce Solutions

**Attachments:** **Attachment A:** OG 22-2021 Change 1 On-The-Job Training Using Workforce Innovation and Opportunity Act (WIOA) Funds  
**Attachment B:** DWS On-The-Job Questions and Answers, April 2022

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

# **ATTACHMENT**

**“A”**



**NORTH CAROLINA DEPARTMENT OF COMMERCE  
DIVISION OF WORKFORCE SOLUTIONS**

**DWS Operational Guidance Number: OG 22-2021, Change 1**

**Date: January 6, 2022**

**Subject: On-the-Job Training (OJT) Using Workforce  
Innovation and Opportunity Act (WIOA) Funds**

**From:**

Chet Mottershead  
Assistant Secretary for Workforce

**Purpose:** This change to Operational Guidance 22-2021 updates the Employer Criteria (assurance 1.e.) detailed in the OJT General Assurances of Attachment C, Employer Agreement and rescinds OG 22-2021.

**Background:** OJT provides North Carolina a means to expand and enhance workforce service delivery to the state's citizens. 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 Area Workforce Development Boards (WDB) 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.

OJT, as defined in Section 3(44) of the WIOA, is 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) is made available through a program that provides reimbursement to the employer of up to 50% of the wage rate of the participant, except as provided in Section 134(c)(3)(H) of WIOA, (75% , see note below) 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.



OJT is a viable and compatible part of North Carolina's Integrated Services Delivery product box. WDB OJT policy is critical for consistency, institutionalizing services the local WDB seeks to deliver, and managing and leveraging OJT funds. OJT requirements and leverage other hiring incentives such as the Work Opportunity Tax Credit (WOTC) or the federal (High Risk Employees (HIRE) (Federal Bonding) initiative that assists convicted offenders gain employment.

Note: Per Sections 3(44) and 134(c)(3)(H) of WIOA, the amount of reimbursement may be increased up to 75% of the wage rate of the participant if the increased rate of reimbursement is warranted after taking the following factors into account:

- (I) Attributes of the participant with special emphasis on whether the participant is an individual with barriers to employment as defined in Section 3(24) of WIOA;
- (II) The size of the employer, with increased reimbursement available to employers with less than 251 employees;
- (III) The quality of employer-provided training and advancement opportunities; and the quality of employer-provided training and advancement opportunities; and
- (IV) Any other factors deemed appropriate by the Governor or WDB, respectively, may be determined to be appropriate, which may include the number of employees participating in the training; wage and benefit levels of those employees (at present and anticipated upon completion of the training); and relation of the training to the competitiveness of the participant.

WDBs must document the factors used when deciding to increase the wage reimbursement levels above the 50% limit set in Section 3(44) of WIOA; provided the reimbursement level cannot exceed 75% in any circumstances.

**Action:** WDBs must adhere to this OJT policy and use the included forms when providing local WIOA OJT services. An updated local OJT policy must be submitted to the DWS Planner when changes are made. Local OJT policies are developed to ensure federal and state policies and regulations are followed; however, they may be more restrictive than the state policy. If the local policy is more restrictive, staff must follow the local policy.

**Effective Date:** Immediately

**Expiration:** Indefinite

**Contact:** DWS Planner

**Attachments:**

- A. OJT Policy
- B. Pre-Award Analysis
- C. Employer Agreement
- D. Training Plan
- E. Trainee Evaluation

# **ON-THE-JOB TRAINING POLICY**

## **Trainee Eligibility**

On-the-Job Training (OJT) may be provided to eligible Workforce Innovation and Opportunity Act (WIOA) trainees 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 trainees must demonstrate a need for training as recorded on the Individual Employment Plan (IEP) or Individualized Service Strategy (ISS).

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 career services, who have received an assessment, and for whom an IEP or ISS 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 career services, has received an assessment, and for whom an IEP or ISS has been developed that indicates OJT is appropriate. A currently employed worker may be placed in an OJT with the same employer when the OJT supports acquisition of new skills necessary for upgrading to a new job that requires substantially different higher level skills and the current employee as a result of successfully completing the OJT is expected to receive an upgrade to a higher level position and an increase in pay.

Consideration should be given to the skill requirements of the occupation, academic and occupational skill level of the trainee, prior work experience, and the trainee's IEP or ISS. The results of an objective assessment, as documented on the individual's IEP or ISS, must indicate that the trainee is in need of, and can benefit from, the activity of OJT. The IEP or ISS 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 skills gap deficiencies will be overcome with the training.

## **Reverse Referrals**

When an employer identifies a potential candidate for employment who lacks the skills the employer requires upfront and is in need of OJT, they may refer the individual to the Career Center for WIOA and OJT eligibility determination. This must be done prior to the hiring selection or extending an offer of employment.

## **Employer Eligibility**

The 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 the 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 ongoing and not temporary, probationary, or intermittent employment.

An OJT contract must be limited to the period of time required for a trainee 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 trainee, prior work experience, and the trainee's IEP.

## **Contract Requirements**

- OJT 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 requirements of the Civil Rights Act of 1964 and 29 CFR Part 31 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 OJT 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 by the employer.
- 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 trainee.
- The employer must certify that the trainee 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 Area Workforce Development Board's (WDB's) grievance process if a complaint arises in connection with the OJT trainee and/or the training.
- OJT trainees 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. Check with your WDB Financial Director for the Suspension of Funding List.
- 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 trainee 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 trainee; or
  - 3) the job is 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. OJT funds should not be used for orientation to standard operating procedures of the employer. An analysis of the trainee's prior work history, transferrable work 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 trainee'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.myskillsmyfuture.org](http://www.myskillsmyfuture.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 Trainee 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. Trainees 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. Trainee's progress must be documented monthly in the case notes.

## **General Provisions**

The WDB will develop written OJT policies that address the following nine elements, at a minimum:

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

## **OJT Forms**

The forms listed as Attachments B are the official documents to be used when conducting WIOA-funded OJT activities and are to be completed sequentially. The OJT contract package is incomplete if all forms (Pre-Award Analysis, Employer Agreement, Training Plan, and Trainee Evaluation) are not completed. The OJT package should be maintained, and all files are to include trainee's NCWorks Online and Business Services files.



## **Justification for Reimbursement Documentation**

Signed timesheets, invoices, payroll records, and/or copies of pay stubs must be maintained and uploaded in NCWorks Online and made available for local and state monitoring. Electronic timesheets are acceptable with required signatures and may be printed and signed. The WDB must have processes in place to verify trainee time and pay.

Timely submission of invoices by the employer allows for timely reimbursement. It is at the WDB's discretion to implement a specific length of time for invoicing and reimbursements.

[Insert WDB Name Here]

**[Insert OJT Provider Name Here]**  
**On-the-Job Training (OJT) Contract: Pre-Award Analysis**

**Section 1: Employer Information**

<i>Complete the following Employer Information</i>		
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 <b>not</b> 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 <b>not</b> 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) Workers' 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 <b>not</b> 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 <b>not</b> 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 <b>not</b> 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

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

**[Insert WDB Name Here]**  
**[Insert OJT Provider Name Here]**  
**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 OJT 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 WIOA 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 Insert Name. In addition, the Employer agrees to complete and submit the attached evaluation for each trainee at the midpoint and end of the training period.

**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. Contracts may not be permitted where WDB members have certain ownership or other interests in the firm. Please refer to NCGS 14-234 (a1)(4).
- 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 trainee, 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.

### 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 Workforce Innovation and Opportunity Act (ACT) 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 WDB 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 trainee, 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 WDB.
- c. The employer agrees to reimburse to the WDB 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 trainee 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. Trainees 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 trainees 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)



**[Insert WDB Name Here]**  
**[Insert OJT Provider Name Here]**  
**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:		
PAYSCHEDULE: 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):					

## Section 2: Training Outline

List in the chart below the skills needed to become proficient in the position. *Note: the standard training hours are determined through the use of Specific Vocational Preparation (SVP) codes while the actual anticipated training hours are determined after careful analysis of the trainee’s current skills and work history.* Please list the standard and anticipated hours required for each skill, as well as the estimated start and end dates. The midpoint and final evaluations will address all listed skills objectives. Attach an official job description to the completed contract.

<u>JOB SKILLS NEEDED</u>	STANDARD TRAINING HOURS	ANTICIPATED TRAINING HOURS	ESTIMATED START DATE	ESTIMATED END DATE

**Section 2: Training Outline (continued, if applicable)**

JOB SKILLS NEEDED	STANDARD TRAINING HOURS	ANTICIPATED TRAINING HOURS	ESTIMATED START DATE	ESTIMATED END DATE

### Section 3: Authorized Signatures

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

*OJT 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 WIOA OJT Agency agree that this Training Plan shall be modified as stated:

[Click here to enter text.](#)

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 [Click here to enter a date.](#)

The employer and the WIOA 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:

\*By signing this agreement all parties agree to follow Assurances found on Attachment C, page 3.

**[Insert WDB Name Here]**  
**[Insert OJT Provider Name Here]**  
**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:

Having satisfied the requirements of the training plan, employment continues on an unsubsidized basis. **Section 3:**

**Comments (please explain any unsatisfactory evaluation items)**

\_\_\_\_\_



**ATTACHMENT**

**“B”**

**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.

4. **Question:** Participant is working 8 hours a week as a cafeteria worker, was previously a lead worker in a warehouse, and is very underemployed. Would the 8 hours prevent him from being considered for OJT?

**Answer:** The participant is a valid OJT candidate utilizing regular formula funds. Case file should document how long he has been laid off from his position as lead warehouse worker and you are working with him to secure a 40-hour week position.

5. **Question:** Is it permissible to have two different reimbursement rates for the same employer for two different positions?

**Answer:** Yes but remember the maximum reimbursement rate is based upon the size of the employer. The rate is negotiated up to a percentage based on the size of the employer. It is recommended that the reimbursement rate be the same for the company, but the length of training time would vary based on the participant's past work experience, skill gaps and transferrable skills.

6. **Question:** Is it permissible to take a WIOA participant out of a training program and enroll them in OJT?

**Answer:** Although it is permissible, it is not the intent of OJT to remove someone from one training program to engage in another training program. You should consider if there are other unemployed WIOA clients that are not engaged in training could benefit from an OJT experience.

7. **Question:** Can we provide sponsorship of OJT for minimum wage jobs?

**ANSWER:** Yes, but consider whether the individual could have gotten the job without OJT. Would the employer have hired this individual for this position without OJT? Does the individual already have the skills or transferrable skills that the minimum wage position requires? This also depends on what is permitted by your local area. This also depends on what is permitted by your local area.

8. **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%.

9. **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.

10. **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.

11. **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.

12. **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.

13. **Question:** We know that the Pre-Award Analysis, the Contract/Employer Agreement, and copies of the individual training plans should be included in employer files. However, we are unsure about what fiscal information needs to be included. Are invoices to be placed in employer files, as well? Is documentation of payment by the WDB to the contractor required in the file?

**Answer:** The original of invoices and payments should be kept by your fiscal officer. You can make a copy of the invoice and payment for the employer file. If you have a better tracking system with fiscal services than making a copy, you can use that system. Your finance officer will have the original of the invoice and payment. Neither are requirements for the employer file. (All information can be scanned into NCWorks Online if required by your local board.

14. **Question:** Are there regulations that would prevent me from doing OJT in another state if the participant lives in NC, but the employer is in a bordering state?

**Answer:** No, as long as the participant is a resident of North Carolina and meets OJT eligibility. As a courtesy, it would be good to contact the Workforce Development Board where the company is located.

15. **Question:** When using the sliding scale rate of reimbursement, is part time and/or temporary employees counted as employees of the company?

**Answer:** Yes, if they are employed by the company.

16. **Question:** What is the sliding scale OJT employer reimbursement?

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

17. **Question:** A participant is currently working in a temporary position with the county, the contract is not with a temporary agency, they are being paid through a contract with the county and is considered "self-employed" at DSS. DSS would like to hire them permanently with the use of OJT funds. Is this allowable?

**Answer:** OJT is not meant for someone that is working in a temporary or permanent position if the OJT is for the same position they are working temporary. Consider these questions before making a decision: how long has the individual worked for the county as a self-employed contractor? Do they want to hire her in the same position that she has been doing as a temporary employee? If so, has she mastered the skills of the position? If she has worked in the position they would like to hire her with the use of OJT funds four or more months; she probably can do the job without OJT sponsorship. If they want to hire her full time she probably has mastered the skills needed for the position and would not be sponsored with the use of OJT funds.

18. **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.

19. **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.

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

**Answer:** There is not a wage cap for regular OJT, however, under National Dislocated Worker grants the wage cap is \$22.15.

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

**Answer:** Yes, except for OJT National Dislocated Worker grants. In this case, OJT may **not** be created with public sector employers.

22. **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 Dislocated Worker grants. Please refer to the attached Private Placement guidance.

23. **Question:** Can we sponsor OJT for inmates eligible for release?

**Answer:** Yes, considering they meet the following criteria:

- WIOA eligible
- Assessed and in need of OJT
- Be within 3 months of release
- Have an established Home Plan for the county in which they will be employed

## **On-the-Job Training and Private Placement Agencies**

Many employers are now filling job openings by using staffing, temporary or placement agencies. The term “private placement agency” describes an employer that provides regular, on-going employment in a specific occupation and, for a fee, places employees at the work site of another employer to perform work for such an employer. The private placement agency is the employer of record, provides pay and benefits, and is responsible for payroll taxes and workers’ compensation coverage. The host employer is responsible for providing the training, work, and the workspace.

Private placement agencies meet eligibility for OJT agreements when the agreement specifies the location of the training and if they qualify as a responsible employer according to the Pre-Award analysis and the OJT employer general assurances.

When WIOA funds are used for an employment situation involving a staffing agency, consider the following factors prior to approving OJT funding:

### **Turnover Pattern**

- Is there a good chance of long-term continued employment at the work site? Turnover patterns should be studied, and if there is a “ballpark” 80 percent or better of continued employment for a year or more, the use of a staffing agency should not be an obstacle. Turnover patterns can be estimated based upon past experience at the work site and based on conversation with the host employer and the private placement agency.

### **Pay and Benefits**

- Does the pay rate meet state and local requirements? Are benefits the same for similarly employed individuals? Are new hires commonly let go just prior to the transition to employment by the host employer?

### **Paperwork**

- Whenever a private placement agency is involved, make sure that both the host employer and the staffing agency sign off on all OJT paperwork. Meeting OJT obligations is a dual responsibility of the host employer and the staffing agency.
- The private placement agency (employer of record) signs the Pre-Award Analysis and the Employer Agreement. The OJT training plan is signed by the employer representative (placement agency), on-site (host employer) supervisor, WIA representative and the OJT trainee

### **Training Reimbursement**

- The private placement agency will be reimbursed a percentage of the OJT worker’s actual wages, exclusive of any fees paid to the placement agency.

**NOTE: General Assurances 1(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.**

- Intent of statement
  - a. To ensure that the employer does not hire someone and contract the training to another entity that does not ensure that the employee receives prevailing wage, hours and conditions of employment. The private placement agency and the on-site employer have an agreement/contract that ensures that prevailing standards with respect to wage, hours, and conditions are met.
  - b. The intent is for the OJT trainee to get training, get paid a prevailing wage and hours and continue in employment after the OJT ends.
  - c. For reimbursement percentage the size of the private placement agency is considered and not the on-site employer