

Region 4 Workforce Board On-the-Job Training Policy

PURPOSE: To define the Region 4 Workforce Board (R4WB) policy and procedures governing the On-the-Job Training program. The main changes are: 1) the use of OJT in tandem with Individual training accounts (ITAs) for registered apprenticeships, and 2) the possibility of an increase to a maximum of 75% reimbursement (if approved by Board) and certain requirements are met.

REFERENCES: Workforce Innovation and Opportunity Act Section 3(44), Section 134(c)(3), Section 181(a), Section 181(b), Section 181(d), Section 194(4)
WIOA Proposed Regulations §680.330, §§680.700-750, 80 Fed. Reg. 20855, 20860-20861 ([April 16, 2015](#))

I. BACKGROUND OF FEDERAL REGULATIONS GOVERNING OJT

On-the-Job training is a training activity that is allowable under the Workforce Innovation and Opportunity Act (WIOA). The WIOA defines on-the-job training as:

“Training by an employer that is provided to a paid participant while engaged in productive work in a job that:

- Provides knowledge or skills essential to the full and adequate performance of the job;
- Provides reimbursement to the employer of up to 50 percent of the wage rate of the participant, for the extraordinary costs of providing the training and additional supervision related to the training; and
- 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.”

In OJT, WIOA participants are hired by an employer and the employer is responsible for providing training to the participant. Federal regulations require that OJT participants be hired as regular employees by the OJT employer by the date the training is to begin. OJT participants must be compensated at the same wage rates, including periodic increases, and provided with the same benefits and working conditions as other employees who are similarly situated in similar occupations by the same OJT employer and have similar training, experience, and skills.

On-the-job training is considered occupational skills training (not a subsidy to an employer) in exchange for the reimbursement of up to 50 percent of the wage rate to compensate for the employer’s extraordinary costs of training, lower productivity of the trainee, and additional supervision related to the training.

The OJT contract is to outline the respective required duties of an OJT employer and the WDB or its designee as they relate to the provision of an OJT. Each contract, at a minimum, must contain the provisions included in Attachment B (Minimum Provisions to be Included in OJT Contracts) of this policy. During negotiation of an OJT contract, the WDB or its designee should estimate the training cost for the employer; this estimation should be used as a basis for negotiating the percentage of wages that would be reimbursed to the employer during the training period. The percentage of wages reimbursed to the employer cannot exceed 50 percent unless designated by the Board.

During negotiations of an OJT contract, the R4WDB (or designee) should estimate the training cost of the employer; this estimation should be used as a basis for negotiating the percentage of wages that would be reimbursed to the employer during the training period. The percentage of wages reimbursed to the employer cannot exceed fifty percent. However, as provided in WIOA, employers are not required to document the extraordinary costs of training as OJT is implemented.

The duration of the training must be established as part of the OJT contract. The duration should be of sufficient length to ensure the acquisition of skills by the participant and proficiency in the occupation for which the training is being provided while not being excessive in length. The maximum duration for WIOA funded OJT in the State of Indiana is six months. Special exceptions to the maximum duration must be approved in writing by the Associate Chief Operations Officer for Policy for the Indiana Department of Workforce Development.

In determining the appropriate length of the contract, consideration should be given to the skill requirements of the occupation, the academic and occupational skill level of the participant, prior work experience, and the participant's Individual Employment Plan (IEP).

OJT contracts may not be established with employers that have previously exhibited a pattern of failing to provide OJT participants with continued long-term employment with wages, benefits and working conditions that are equal to those provided to regular employees who have worked a similar length of time and are doing the same type of work.

It is generally expected that the OJT contract would be a two-party contract, but in some instances, an OJT employer may utilize an employment service or other third-party human resource service to serve as the employer-of-record for new workers employed by the company. In these instances, the WDB or its designee may utilize three-party contracts, which specifically delineate the responsibilities of each party. In instances involving three-party contracts, both the OJT employer and the employer-of-record must abide by the governing provisions contained within this policy.

OJT and Eligible Employed Workers

OJT contract may be written for an eligible employed worker when the additional below requirements are met:

- 1) The employee is not earning a self-sufficient wage (as determined by local policy); and
- 2) The OJT relates to the introduction of new technologies, introduction to new production or service procedures, upgrading to new jobs that require additional skills, workplace literacy, or other appropriate purposes as defined in local policies.

The R4WDB defines self-sufficiency as:

Self-sufficiency for individuals participating in training under the WIOA *Adult Program* is 200% of the economically Disadvantage Criteria level based on family size.

Self-sufficiency for individuals participating in training under the *Dislocated Worker Program* is the higher of at least 80% of the participant's wage at layoff or the Economically Disadvantage Criteria level, and the participant is in permanent employment. An eligible Dislocated Worker

who is in stopgap or temporary employment following economic dislocation shall not be considered self-sufficient even though the prevailing wage proves otherwise

OJT and Registered Apprenticeship Programs

Individual training accounts (ITAs) and OJT funds may be combined to support placing participants into a registered apprenticeship program, just as they can be used together for a participant who is not in a registered apprenticeship. See local ITA policy for ITA duration and financial limits.

- An ITA may be used to support the classroom portions of the apprenticeship program, and OJT funds may be used to support the on-the-job training portions of the program.
- Depending on the length of the registered apprenticeship and local OJT policies, these funds may cover some or all of the registered apprenticeship training.

II. LIMITATIONS ESTABLISHED BY WIOA

- OJT contracts may not be established with employers that have previously exhibited a pattern of failing to provide OJT participants with continued long-term employment with wages, benefits including health benefits), and working conditions that are equal to those provided to regular employees that have worked a similar length of time and are doing the same type of work.
- Funds may not be used to reimburse OJT employers for any overtime hours worked by the OJT participant. Overtime hours are generally needed for increased production demands and are rarely needed to provide additional training to participants.
- WIOA funds may not be used or proposed to be used for the encouragement or inducement of a business, or part of a business, to relocate from any location in the United States, if the relocation results in any employee losing his or her job at the original location.
- WIOA funds may not be used to provide OJT if the business has relocated from any location in the United States and the relocation resulted in any employee losing his or her job at the original location. This prohibition is no longer applicable after the company has operated at the new location for 120 days. To verify that an establishment (which is new or expanding) is not, in fact, relocating employment from another area:
 - A standardized pre-award review must be completed and documented jointly by the WDB or its designee and the OJT employer as a prerequisite to WIOA assistance.
 - The review must include names under which the establishment does business, including predecessors and successors in interest; the name, title, and address of the company official certifying the information; and, whether WIOA assistance is sought in connection with past or impending job losses at other facilities, including a review of whether WARN notices relating to the employer have been filed.
 - The review may include consultations with labor organizations and others in the affected region or local area(s). See Attachment A for details.

- Funds provided to employers for OJT must not be used to directly or indirectly assist, promote or deter union organizing.
- A participant may not be employed or assigned to an OJT if:
 - o Any other individual is currently on layoff from the same or any substantially equivalent job;
 - o The employer has terminated the employment of any regular employee or caused an involuntary reduction in its workforce with the intention of filling the vacancy with OJT participants; or
 - o The OJT position is created in a promotional line that infringes in any way on the promotional opportunities of currently employed workers.
- An OJT must be in an in-demand industry or for an occupation in-demand that is included on the State list of targeted economic sectors, as defined by the Indiana Career Council through the sector resolution, in partnership with DWD, employers, IEDC, and WDBs. In-demand sectors and occupations will be facilitated and reviewed at least annually at both a state-wide and regional level by the Department of Workforce Development in partnership with local WDBs.
- OJT funds can only be used to pay for training for positions that pay a minimum of \$10 per hour, or \$20,800 annually for Adult or Dislocated Worker, Out of School Youth, or In-School youth who have graduated. Special exceptions to this guideline must be approved in writing by the Associate Chief Operations Officer for Policy for the Indiana Department of Workforce Development.
- The expenditure on an individual OJT contract is limited to \$13,000 annually.
- Participants may only be provided OJT one time in any twelve month period. The only exception is when an OJT participant has successfully completed the training and was subsequently laid off through no fault of his/her own.
- All OJT participants must first pass a drug screen test consistent with state policy

III. GUIDELINES GOVERNING ON-THE-JOB TRAINING

The provisions of on-the-job training at the regional and local level must adhere to the following guidelines established by the State Workforce innovation Council:

- OJT must be for occupations in-demand and should be for high-wage or high demand occupations as defined by the R4WBD.
- OJT should result in long-term employment for the WIOA participant.
- OJT funds can only be used to pay for training for position that pay a minimum of \$10 per hour, or \$20,800 annually for Adult or Dislocated Worker participants, Out-of-School Youth or In-School Youth who have graduated. Special exceptions to this guideline must be approved in writing by the Director of Policy for the Indiana Department of Workforce development.
- OJT reimbursements are limited to 50 percent or less of the wage rate.

- OJT funds may only be used to reimburse a portion of the participant's regularly scheduled hours; funds may not be used to reimburse any overtime hours.
- The maximum expenditure on an individual OJT contract shall be \$13,000 annually.
- The duration of an OJT shall be limited to a period of time needed for the WIOA participant to become proficient in the occupation. The maximum duration for WIOA-funded OJT in the State of Indiana shall be six months. Special exceptions to the maximum duration must be approved in writing by the Director of policy for the State of Indiana Department of Workforce Development.
- All OJT participants must pass a drug screen test consistent with DWD policy.
- OJT cannot be provided at companies that have utilized OJT within the last year and have shown a pattern of failing to provide OJT participants with continued long term employment opportunities following the completion of the OJT.
- Participants may only be provided OJT one time a year. The only exception is when an OJT participant has successfully completed the training and was subsequently laid off through no fault of his/her own.
- All job openings for which OJT is to be provided must be posted on Indiana Career Connect.
- Customers who have significant previous work experience in the OJT occupation may not participate in OJT unless additional skill training need is documented along with specific new skills to be acquired during the OJT. Such documentation should be included in the customer's IEP.
- Employment of an OJT customer with the customer's previous employer in the same, similar, or an upgraded job is not permitted.
- OJT agreements may be made with businesses and agencies that are represented on the R4WBD, if all policies included herein are followed, and conflict of interest provisions are complied with, and provided the R4WBD member does not influence the site selection or customer intake process.

On-the-Job Training Process

1. WorkOne staff works with the employer to complete the pre-award review (Attachment A). The WDB, or its designee, is responsible for validating information provided in the pre-award review during the mandatory on-site monitoring visit.
2. WorkOne staff works with employer to determine the number of workers needed by the employer, the skills, experience, and other job requirements usually required for the job opening. Staff should utilize tools, such as Specific Vocational Preparation and O*Net, to determine the normal duration of training that is required for that job classification. Additional guidance on determining the appropriate duration of an OJT is contained in Attachment D.
3. WorkOne staff ensures that job openings to be considered for OJT participants are listed on the State's Job Match System -Indiana Career Connect.
4. WorkOne staff works with the OJT employer to recruit and select OJT participants for the specific openings. Ultimate hiring determinations must be made by the OJT employer.
5. WorkOne staff works with the employer and participants to determine skill gaps and the training plan for selected participants. Each participant must have an individual training plan

that must be documented in case notes of the State's electronic case management system. A sample training plan is included in Attachment C.

6. WorkOne staff establishes OJT contract(s) with the OJT employer for each individual participant.
7. When the employer hires the new worker, the OJT officially begins. An OJT for an employed worker officially begins when training that was outlined in the OJT agreement begins. Service records must indicate start date of the OJT.
8. Employers are to provide regularly scheduled invoices to Service Provider, for reimbursement. Payroll records need to support invoice amounts.
9. The Service Provider conducts monitoring of OJT contracts and follow-up with OJT participants. Monitoring of OJT contracts and follow-up with OJT participants must be documented in service records.
10. Employer electronic signatures on OJT forms are authorized in accordance with IC 26-2-8 "Uniform Electronic Transaction Act".

IV. GENERAL GUIDELINES FOR DEVELOPING OJT TRAINING OUTLINES

The R4WBD philosophy focuses on an individualized approach to meeting the employment and training needs of WIOA customers. This philosophy requires a high degree of flexibility and creativity within the limitations and restrictions of the governing laws, regulations, and policies. Therefore, these guidelines will address specific DOL requirements while remaining consistent with R4WBD service delivery philosophy.

The following items are included in this section: methodology for determining length of training and the minimum skill level approval; determination of specific tasks or skills to be taught over the term of the contract and the skill level to be attained; and, level and type of supervision to be provided.

Length of Training, Minimum Skill Level

The task of identifying the specific skills for which an OJT customer will receive training is a collaborative effort among the Employer Services staff, Service Provider staff, the employer, and the customer.

In order to determine Length of Training, the O*Net Code for the training occupation must be determined and the corresponding Specific Vocational Preparation (SVP) number identified. The *Selected Characteristics of Occupations Defined in the Dictionary of Occupational Titles* provides an SVP number for each DOT Code.

Service Providers will maintain adequate documentation, which reflects how the OJT length was calculated. The IEP for each OJT customer shall document how the training length was determined.

Training time should be adjusted in consideration of prior work experience; prior training

and/or additional training required supplementing the OJT. No OJT shall be written for less than 30 days. In no event may reimbursement exceed 6 months, including time spent in related classroom training during which the employer pays wages.

The training outline will be reviewed with the trainee and the employer.

OJT Contract Approval

Service Providers shall have the authority and responsibility to negotiate, approve, and monitor OJT agreements within their respective service provider area, subject to the following guidelines:

1. The trainee cannot begin his/her training with an OJT employer prior to the effective date of the OJT contract.
3. The Service Provider assumes all liability (including the resolution of questioned costs) pertaining to contracts that they negotiate and execute with OJT employers.
4. All contract documents must be signed by authorized representatives of both the employer and the Service Provider prior to the commencement of training activities.

OJT/Reimbursement

1. The OJT employer may request reimbursement at the fixed rate specified in the contract, not to exceed an amount equal to 50% of the wages paid to the trainee.
2. Paid hours not actually worked, any hours in excess of 40 within a calendar week, and overtime pay in excess of the regular hourly wage will not be reimbursed.
3. The Service Provider is solely responsible for reviewing and approving employer reimbursement requests and for any liability associated with such requests.
4. Employer reimbursement requests must show the daily hours worked by the trainee (not including overtime) and must be signed by the employer's authorized representative. (See **Attachment F**)

V. MONITORING AND FOLLOW-UP REQUIREMENTS

R4WBD have proactive responsibilities to monitor the successful operation of OJT contracts. At a minimum, Service Providers, shall conduct monthly check-ins on all OJT worksites and conduct at least one fully documented monitoring visit throughout the duration of the OJT contract. The primary purpose of these check-ins and monitoring visits is to ensure that the OJT employer is following all specifications included in the OJT contract and that the OJT participant is making satisfactory progression through his or her training plan. (See **Attachment E**)

Additionally, WorkOne staff shall provide meaningful follow up services to OJT participants. WorkOne staff shall conduct monthly check-ins with OJT participants throughout the duration of their training and for six months following the successful completion of the OJT. These check-ins shall determine if the participant is in need of additional WorkOne services in order to successfully retain his/her employment. All check-ins shall be documented in the State's electronic case management system as a follow-up service.

If, during the course of on-site monitoring, employer deficiencies are discovered, Service Providers will report them in writing to the R4WBD designee and discuss them with the employer. Corrective action will be required within 10 working days of this discussion, after

which a follow-up visit will be conducted. If the employer fails to take satisfactory corrective action, the Service Provider will terminate the OJT agreement.

VI. GENERAL PROVISIONS, ASSURANCES, AND CERTIFICATIONS

- A. Reimbursement Process:** The 50% wage reimbursement is in compensation for the costs associated with training the identified individual and the trainee's lower productivity during the identified training period. Wage rates and training times will be established in the Individual Contracts negotiated for each trainee. Reimbursement will occur as a result of invoices submitted by the Employer. Such invoices will reflect the negotiated wage rates and training times of Individual Contracts.
- B. Trainee Retention:** The Employer agrees that the trainees will not be terminated without prior notice and reasonable opportunity for correction or improvement of performance. As a part of this assurance, the Employer will immediately notify their Service Provider if the trainees have an attendance or disciplinary problem or have demonstrated an inability to perform in accordance with the training plan. The Employer also agrees to retain the trainees as regular employees upon successful completion of the training.
- C. Trainee Wages:** The following will govern the wage rates and wage policies for all trainees covered by this agreement.
1. Trainee wages will be the highest of:
 - wage rate paid by the Employer to other similar employees
 - wage rate paid minimum of \$10 per hour.
 2. Contributions to retirement, medical or any other benefit plans for the trainees will not be reimbursed.
 3. Overtime wages, wage increases not specified in the Contract and hours in excess of those specified in the Individual Contract will not be reimbursed.
 4. Reimbursement will not be made for time in which the trainees are absent, including authorized paid absences such as holidays, sick days, and vacation days.
- D. Trainee Benefits and Working Conditions:** The following will govern benefit plans and overall working conditions for the trainees.
1. Trainees will be afforded the same benefits and working conditions as other employees doing the same type of work for a similar length of time.
 2. The Employer will provide:
 - Workers Compensation benefits in accordance with State law, or
 - When such law is not applicable, liability insurance coverage for injuries suffered by trainees.
 3. Trainees will not be required to work in conditions which are unsanitary, hazardous, or dangerous to their health or safety. With inherently dangerous jobs, reasonable safety practices will be applied.
 4. In the event that a trainee is hired under this agreement who is subject to child labor laws in any form, the Employer agrees to follow all such laws.

E. Employer Assurances

1. The Employer assures that it will comply with all Federal, State and local regulations, rules, laws and policies that govern the use of Workforce Innovation and Opportunity Act (WIOA). In the event that such regulations, rules, laws, or policies would change, the Employer assures it will comply with these changes as they apply to this on-the-job training contract.
2. The Employer assures that no currently employed workers will be displaced by the trainee or suffer a reduction (or partial reduction) in wages, benefits, or work hours, including overtime work hours. The Employer also assures that the trainee is not filling a position which will infringe upon the promotional opportunities of current employees.
3. The Employer assures that the trainee will not fill a position when:
 - another employee is currently on layoff from the same or an equivalent job, or
 - the Employer has terminated a regular employee with the intention of filling the opening with the trainee, or
 - another employee is not employed because of a labor dispute.
4. The Employer assures that this contract will not impair any existing collective bargaining agreements and that it will obtain written concurrence of the appropriate labor organization if inconsistencies with the bargaining agreement exist. It is further assured that the Employer will notify (Service Provider) if a labor dispute occurs during the term of this contract.
5. The Employer assures that no job training funds will be used to assist, promote, or deter union organizing. The Employer further assures that the trainee will not be employed in a job that involves political or lobbying activities.
6. The Employer assures that the trainee will not be employed and funds received under this contract will not be used to conduct or support the construction, operation, or maintenance of any facility used for religious instruction or worship.
7. The Employer assures that the trainee hired under this agreement will not be the immediate relative of the Employer's administrative or supervisory staff.
8. The Employer assures that it has written personnel policies and that these policies will be reviewed with the trainee.
9. The Employer agrees to make every reasonable effort to maintain a drug-free workplace as required by the Drug-Free Workplace regulatory requirements specified in the Drug-Free Workplace Act of 1988.
10. As a condition to the award of financial assistance, it is assured, with respect to the operation of the WIOA funded program or activity and all agreements or arrangements to carry out the WIOA funded program or activity, that the Employer will comply fully with the nondiscrimination and equal opportunity provisions of WIOA; Title VI of the Civil Rights Act of 1964, as amended; Section 504 of the Rehabilitation Act of 1973, as amended; the Age Discrimination Act of 1975, as amended; Title IX of the Education Amendments of 1972, as amended; and with all applicable requirements imposed by or pursuant to regulations implementing these laws. The United States has the right to seek judicial enforcement of this assurance.
11. The Employer assures that it has not relocated causing the displacement of employees from any other location. The Employer also assures that funds provided under this

contract have not caused a loss of employment for any employee at this or any other Employer location.

12. The Employer assures that it has not received payment for these on-the-job training activities from any other state or federal source.

F. Contract Management

1. The Employer agrees that Service Provider and/or their designee may visit the worksite for the purposes of reviewing the progress of the trainees.
2. All personnel and payroll records pertaining to the trainees must be kept for three years. State and Federal officials must be granted access to these records if requested for audit purposes. Service Provider and/or their designee must have access to these records at least once during the training period to verify the accuracy of monthly invoices.
3. This contract may be modified if both parties agree, in writing, to the modification.
4. This contract may be terminated at any time by either the Service Provider or the Employer. Written notice of this termination must be given which explains the reasons for and effective date of the termination. Service Provider reserves the right to terminate this agreement subject to the availability of funding.

Monitoring and Follow-Up Requirements

Service Providers have proactive responsibilities to monitor the successful operation of OJT contracts. Services Providers are to conduct monthly check-ins with OJT companies and conduct at least one fully documented monitoring visit during the OJT contract. The primary purpose of these check-ins and the monitoring visits is to ensure that the OJT employer is following all specifications included in the OJT

Attachments

Attachment A: Sample OJT Pre-Award Review Form

Attachment B: Minimum Provisions to be Included in OJT Contracts and Sample OJT Contract Agreement

Attachment C: OJT Plans Guidance

Attachment D: Determining the Appropriate Duration of an OJT

Attachment E: Sample OJT Monitoring Template

OJT Check List

ISSUE DATE: July 1, 2015

ON-THE-JOB TRAINING Check List

Verify Updated IEP in TrackOne	<input type="checkbox"/>
Statement about OJT being for an Occupation in Demand	<input type="checkbox"/>
Verify Case Note Documenting Client Agreement with IEP	<input type="checkbox"/>
Job Description from Indiana Career Connect	<input type="checkbox"/>
Skills Sheet	<input type="checkbox"/>
Drug Screening Results –	<input type="checkbox"/>
Individual Training Plan	<input type="checkbox"/>
Documentation of Skill Gaps to Support Length of Training Plan	
OJT Pre-Award Form	
Individual Contract -	<input type="checkbox"/>
On-The-Job Training Report and Reimbursement Request Form I	<input type="checkbox"/>
+Supporting Records	<input type="checkbox"/>
Monthly Check-in's for Duration of OJT – Documented in TrackOne	<input type="checkbox"/>
Monthly Check-in's for Six Months Following Completion of OJT – Documented in TrackOne	<input type="checkbox"/>
OJT Monitoring Report –	<input type="checkbox"/>
+Monthly Check-In with Employer	<input type="checkbox"/>
+One Documented Visit during OJT	<input type="checkbox"/>
+One Documented Visit within Six Months of Completion of OJT	<input type="checkbox"/>
+Written Documentation to WIB of Deficiencies w/Corrective Action and Follow Up Visit	<input type="checkbox"/>
Monitoring Template	<input type="checkbox"/>
	<input type="checkbox"/>
Other correspondence	<input type="checkbox"/>

Attachment A

SAMPLE On-the-Job Training Pre-Award Review Form

I. Identifying Information:

Company _____

Address _____

City/State/Zip _____

Company _____

Official – Name and Title _____

Phone _____

Other names (including successor(s) in interest) under which the above company has conducted or is currently conducting business _____

II. Relocation Information:

Has the above company, any subsidiary, affiliates, or part thereof, relocated within the last 120 days?

Yes _____ No _____

If yes, please indicate the date in which operations began at the new facility.

If the establishment relocated within the last 120 days, did the move result in a loss of employment for any employee of the company at the original location?

Yes _____ No _____ Not applicable, did not relocate _____

III. Current Employee Status:

Are any employees currently on layoff from the same job classification(s) that will be included in the on-the-job training program?

Yes _____ No _____

If yes, have the employees been laid off for a minimum of 120 days or declined an offer to return to work? Yes _____ No _____

IV. Labor Consultation

Are the positions that are part of the on-the-job training program subject to a collective bargaining agreement? Yes _____ No _____

If yes, provide a listing of all unions and contact information:

V. Attestation and Validation:

The company official hereby attests, under penalty of perjury, that the above information is correct.

Signature of Company Official

Date

WorkOne Representative/Title

Date

Attachment B

Minimum Provisions to be Included in On-the-Job Training Contracts

WDBs must ensure that the following provisions are included in OJT contracts established with employers:

- Identification of the parties involved in the contract.
- The beginning and ending dates of the contract.
- The total training hours.
- The rate of reimbursement and the total reimbursement, including the wage rate for the WIOA participant.
- A copy of the participant's OJT Training Plan.
- Requirements for trainee retention.
- Assurances of safe working conditions.
- Assurances from employer of compliance with all Federal, State, and local regulations, including WIOA.
- Assurances from employer that include specific references to fair labor standards, benefits, non-discrimination, non-sectarianism, lobbying restrictions, and policy activity restrictions.
- Audit rights and access to records.
- Record retention requirements.
- Default clauses for non-performance and convenience.
- Modification methodology.
- Payment and delivery terms (for OJT, time/attendance records must be maintained).

SAMPLE On-the-Job Training Contract Agreement

Effective Date of Contract: _____ **Contract Number:** _____

I. PARTIES TO THIS AGREEMENT

WORKFORCE DEVELOPMENT ENTITY EMPLOYER NAME

Address Employer Address

City, State, Zip City, State, Zip

Contact Person Contact Person

Phone Number Phone Number

II. CONDITIONS OF THIS AGREEMENT

A. Reimbursement Process: In consideration for the training provided, (**WORKFORCE DEVELOPMENT ENTITY**), agrees to reimburse the Employer XX% of the wages paid to the identified WorkOne customer (trainee) to an amount not to exceed the OJT contract total.

Trainee Name: _____ Trainee SS#: XXX-XX- _ _ _ _

Trainee Job Title: _____ Trainee Hourly Wage: _____

Trainee Start Date: _____ Trainee End Date: _____

Total Number of OJT Hours: _____ OJT Contract Total: _____

This XX% wage reimbursement is in compensation for the costs associated with training the identified individual and the trainee's lower productivity during the identified training period. The individual's training plan is included as Attachment (X) to this agreement. Reimbursement will occur as a result of invoices submitted by the Employer. Overtime wages, wage increases not specified in this contract, and hours in excess of those specified in this contract will not be reimbursed. Further, reimbursement will not be made for time in which the trainee is absent from training, including authorized paid absences such as holidays, sick days, and vacation days. (**WORKFORCE DEVELOPMENT ENTITY**) will not reimburse contributions to retirement, medical or any other benefit plans for the trainee.

B. Trainee Retention: Just as the Employer has the right to hire the trainee, termination for just cause rests with the Employer. However, as part of this agreement, the Employer agrees that the trainee will not be terminated without prior notice and reasonable opportunity for correction or improvement of performance. As a part of this assurance, the Employer will immediately notify (**WORKFORCE DEVELOPMENT ENTITY**) if the trainee has an attendance or disciplinary problem or has demonstrated an inability to perform in accordance with the training plan. The Employer also agrees to retain the trainee as a regular employee upon successful completion of the training.

C. Trainee Wages, Benefits and Working Conditions: The following will govern the wage rates, benefits, and overall working conditions for the trainee.

1. Trainee wages will be equal to the wage rate paid by the Employer to other similar employees.
2. The trainee will be afforded the same benefits and working conditions as any other employee doing the same type of work for a similar length of time.
3. The Employer will provide Workers Compensation benefits in accordance with State law, or, when such law is not applicable, liability insurance coverage for injuries suffered by the trainee.
4. The trainee will not be required to work in conditions which are unsanitary, hazardous, or dangerous to his or her health or safety. With inherently dangerous jobs, reasonable safety practices will be applied. In the event that the trainee is subject to child labor laws in any form, the Employer agrees to follow all such laws.

E. Employer Assurances

1. The Employer assures that it will comply with all Federal, State and local regulations, rules, laws and policies that govern the use of Workforce Innovation and Opportunity Act (WIOA). In the event that such regulations, rules, laws, or policies would change, the Employer assures it will comply with these changes as they apply to this on-the-job training contract.
2. The Employer assures that no currently employed workers will be displaced by the trainee or suffer a reduction (or partial reduction) in wages, benefits, or work hours, including overtime work hours. The Employer also assures that the trainee is not filling a position which will infringe upon the promotional opportunities of current employees.
3. The Employer assures that the trainee will not fill a position when: another employee is currently on layoff from the same or an equivalent job, or

- the Employer has terminated a regular employee with the intention of filling the opening with the trainee, or
 - another employee is not employed because of a labor dispute.
5. The Employer assures that this contract will not impair any existing collective bargaining agreements and that it will obtain written concurrence of the appropriate labor organization if inconsistencies with the bargaining agreement exist. It is further assured that the Employer will notify (WORKFORCE DEVELOPMENT ENTITY) if a labor dispute occurs during the term of this contract.
 6. The Employer assures that no job training funds will be used to assist, promote, or deter union organizing. The Employer further assures that the trainee will not be employed in a job that involves political or lobbying activities.
 7. The Employer assures that the trainee will not be employed and funds received under this contract will not be used to conduct or support the construction, operation, or maintenance of any facility used for religious instruction or worship.
 8. The Employer assures that the trainee hired under this agreement will not be the immediate relative of the Employer's administrative or supervisory staff.
 9. The Employer assures that it has written personnel policies and that these policies will be reviewed with the trainee.
 10. The Employer agrees to make every reasonable effort to maintain a drug-free workplace as required by the Drug-Free Workplace regulatory requirements specified in the Drug-Free Workplace Act of 1988.
 11. As a condition to the award of financial assistance through (WORKFORCE DEVELOPMENT ENTITY), it is assured, with respect to the operation of the WIOA funded program or activity and all agreements or arrangements to carry out the WIOA funded program or activity, that the Employer will comply fully with the nondiscrimination and equal opportunity provisions of WIOA; Title VI of the Civil Rights Act of 1964, as amended; Section 504 of the Rehabilitation Act of 1973, as amended; the Age Discrimination Act of 1975, as amended; Title IX of the Education Amendments of 1972, as amended; and with all applicable requirements imposed by or pursuant to regulations implementing these laws. The United States has the right to seek judicial enforcement of this assurance.
 13. The Employer assures that it has not relocated causing the displacement of employees from any other location. The Employer also assures that funds provided under this contract have not caused a loss of employment for any employee at this or any other Employer location.
 14. The Employer assures (WORKFORCE DEVELOPMENT ENTITY) that it has not received payment for these on-the-job training activities from any other state or federal source.

F. Contract Management

1. The Employer agrees that (WORKFORCE DEVELOPMENT ENTITY) staff, and State or Federal officials may visit the worksite for the purposes of reviewing the progress of the trainee.
2. All personnel and payroll records pertaining to the trainee must be kept for three years. State and Federal officials must be granted access to these records if requested for audit purposes. (WORKFORCE DEVELOPMENT ENTITY) staff must have access to these records at least once during the training period to verify the accuracy of invoices.
3. This contract may be modified if both parties agree, in writing, to the modification. This contract may also be terminated at any time by either (WORKFORCE DEVELOPMENT ENTITY) or the Employer with written notice explaining the reasons for and effective date of the termination. (WORKFORCE DEVELOPMENT ENTITY) reserves the right to terminate this agreement subject to the availability of funding.

III. COMMITMENT TO THIS AGREEMENT

(WORKFORCE DEVELOPMENT ENTITY) and the Employer each represent that it has full and complete authority to enter into this contract and that the individual signing this contract has been duly authorized to execute such contracts. Upon signature, this agreement is a valid, binding, and enforceable agreement.

FOR (WORKFORCE DEVELOPMENT ENTITY):

FOR THE EMPLOYER:

Signature

Signature

Typed Name

Typed Name

Title

Title

Attachment C

On-the-Job Training Plans Guidance

Many OJT plans simply contain a job description taken verbatim from the O*NET and broken down by job components with a projected training time for each component. Such an approach does not convey the message that training is being conducted, i.e., skills are being taught and skills are being learned.

Training activities must be described clearly to show that the employer is obligated to conduct training.

- Skills to be learned should be separately listed with training times estimated for each.
- Training times must be reasonable.
- Training times must be geared to both the complexity of the job and the abilities of the trainee.
- The training plan must identify the job title of the person(s) responsible for the training.
- The training plan must be monitorable. The WIOA participant, supervisor, and/or trainer should be knowledgeable about its contents.

Sample OJT Training Plan

Automotive Technician: (O*NET Code) front-end mechanic (automobile service); alignment mechanic; axle-and-frame mechanic; chassis mechanic; wheel alignment mechanic

Job Description: Aligns wheels, axles, frames, torsion bars, and steering mechanism of automotive vehicles, such as automobiles, buses, and trucks. Drives vehicle onto wheel alignment rack. Tests for bent axle, worn ball joints, and bent steering rods, using alignment testing machine. Straightens axle and steering rods and adjusts shims, tie rods, and joining pins to align wheels, or installs new parts, using hand tools. Places wheel on balancing machine to determine where counterweights must be added to balance wheel. Hammers counterweights onto rim of wheel. Installs shock absorbers. Strengthens frame using hydraulic jack, chassis aligner, and acetylene torch.

Training Outline:

1. Learn to operate wheel alignment machines. Develop skills required to measure, caster, camber, toe-in, toe-out, king pin inclination at requisite levels of precision for various types of systems used on contemporary passenger cars, i.e., double wish bone coil suspension systems, McPherson strut system, torsion bar system, etc.

Trainer: Assigned Lead Worker

Hours: 160

Performance Measurement: Demonstration of skills required to operate equipment and tools used to align front-end components according to specifications.

2. Instruction in the disassembly and assembly of component parts of various front-end systems noted in item #1. Learn to remove and replace springs, shocks, ball joints, king pins, struts, steering rods, steering arms, idler arms, etc. Become thoroughly familiar in the operation of power tools and hydraulic equipment used in the above operations.

Trainer: Assigned Lead Worker

Hours: 200

Performance Measurement: Demonstration of ability to remove and replace springs, shocks, ball joints, king pins, struts, etc. using power tools and hydraulic equipment.

3. Learn to operate with required skills, equipment used to remove and replace tires from wheels. Learn to operate various items of equipment to balance wheels on and off vehicles, static and dynamically, using computerized balancing equipment.

Trainer: Assigned Lead Worker

Hours: 80

Performance Measurement: Demonstration of skills required to operate tire changing and wheel balancing equipment.

TOTAL HOURS: 440

Attachment D
Determining the Appropriate Duration of an OJT

To ensure that the duration of the OJT is appropriate, Specific Vocational Preparation (SVP) codes associated with various occupational coding systems (i.e., DOT, OES, SOC, or the Occupational Units of the O*Net system) should be utilized. The SVP code for an occupation is the amount of lapsed time required by a typical worker to learn the techniques, acquire the information, and develop the facility needed for average performance in a specific job-worker situation. SVP codes range from 1 – 9 levels. Each level suggests an appropriate duration for training as shown:

SVP Level	
1	Short demonstration only
2	Anything beyond short demonstration up to and including 1 month
3	Over 1 month up to and including 3 months
4	Over 3 months up to and including 6 months
5	Over 6 months up to and including 1 year
6	Over 1 year up to and including 2 years
7	Over 2 years up to and including 4 years
8	Over 4 years up to and including 10 years
9	Over 10 years

SVP codes for various occupational coding systems may be obtained through DOL's O*Net web site at <http://online.onetcenter.org/> by clicking on "OnLine Help." Note that the duration of training suggested by the SVP for a given occupation is only a starting point for negotiations with an employer. In determining the specific duration for a specific contract, 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 individual employment plan.

Attachment E

SAMPLE OJT Monitoring Template

Employer Name: _____

OJT Contract#: _____

OJT Participant Name: _____

OJT Participant SSN: XXX-XX- ____

Monitor's Name: _____

Date of Visit: _____

Records and Accounts Question	Answer	Findings/Issues (if any)
1. Does the employer have timesheets or payroll registers for the OJT participant and do these documents support the hours claimed on the most recent invoice?	Yes No	
2. Is the OJT participant receiving the wage identified in the OJT contract and on the most recent invoice?	Yes No	
3. Is the OJT participant receiving the same wage as other workers in the same position?	Yes No	

Training Activities Question	Answer	Findings/Issues (if any)
4. Is the OJT participant receiving the training that was detailed in the OJT Training Plan?	Yes No	
5. Is the OJT participant working and receiving training in a safe and healthy work environment?	Yes No	
Is the OJT participant receiving appropriate direction and supervision on the worksite?	Yes No	

OJT Progress Check Question	Answer	Findings/Issues (if any)
6. From the OJT participant's perspective, do they feel they are doing well and learning the required job tasks?	Yes No	
7. From the employer's perspective, do they feel that the OJT participant is doing well and learning the required job tasks?	Yes No	
8. Are there any issues which may cause this OJT to be unsuccessful?	Yes No	

Overall Evaluation Briefly describe what was observed and learned while conducting the OJT monitoring visit.

Detail any needed corrective actions to address the findings and issues identified in the above questions.

Monitor's Signature: _____

Date of Signature: _____

Date of Follow-Up Visit if Needed: _____