



**POLICY #:** P-13 On-the-Job Training (OJT)

**ISSUED:** May 17, 2018

**REVISED:** February 20, 2020

### **PURPOSE**

To provide program guidance which ensures compliance for on-the-job work-based training for youth, adults, and dislocated workers participating in WIOA. This policy outlines how an OJT Agreement and subsequent Training Plans are to be developed by the Clackamas Workforce Partnership subrecipients. In addition, all subrecipients are to follow the guidance provided in the OJT Development Manual which includes detailed information on OJT development and OJT rules and regulations.

### **REFERENCES**

- WIOA Section 3(44), 129(c)(2)(C), 134(c)(3)(D)&(H), 181(a)&(b)&(d), 194(4)
- 20 CFR Parts 680.700, 680.710 – 680.750, 680.850, 681.450, 681.600, 683.260, 682.275

### **DEFINITIONS:**

On-the-job training (OJT): A program which provides full-time unsubsidized employment and training for WIOA eligible individuals. The OJT program is characterized as a “hire first, train later” program. An alternative to more traditional classroom-based learning for eligible and registered participants, an OJT is a training partnership with employers allowing participants to learn in their real work environment with a structured training plan, under the supervision of their employer, with a commitment of continued employment following successful completion of the OJT.

In consideration of the extra costs to the employer of hiring and training a new employee or promoted employee onsite, a portion of the employee's wages may be reimbursed for a limited duration. OJTs are not a wage subsidy to employers or an incentive to hire. OJTs are intended to encourage the development of in-company training programs that lead to transferrable skills for WIOA eligible individuals who would not otherwise be hired or promoted to a given position.

The purpose of an OJT contract is to assist businesses in training and retaining skilled, productive workers. OJT's may be used to help train newly hired employees or eligible current employees.

## **POLICY**

### **Aligning OJTs in Clackamas County and Portland/SW Washington Metro Service Areas**

Because the Portland Metro, Clackamas County, and SW Washington service areas comprise one labor market, area employers may work with a number of OJT brokering agencies and several workforce areas. It is desirable from a customer service and marketing standpoint to keep OJT paperwork and rules as simple and standard as possible throughout the greater Portland/SW Washington labor market.

To that end, these standards define an OJT process that is similar to Multnomah, Washington, Clark, Cowlitz, and Wahkiakum Counties.

### **Regional Program Requirements**

#### **1. OJT Structure**

OJT Agreements are signed by employers and Clackamas Workforce Partnership service providers. OJT Agreements are non-financial. When a Trainee is identified and determined eligible, a Training Plan is completed and, at that point, funds are obligated.

The OJT payment to the employer is divided into two parts:

- 1) Training completion and expected continued employment at thirty (30) or more hours per week; and
- 2) Continued employment through the ninety (90) day retention period and expected continued employment at thirty (30) or more hours per week.

The total OJT reimbursement amount may never exceed 50% of the Trainee's gross earnings during the training period, or \$5,000 whichever is less, unless special circumstances apply in discretionary grants. Up to half the OJT reimbursement is paid at the end of the training if all conditions for a Training Payment are met (see #9 below).

The remainder of the OJT reimbursement is paid at retention, if all conditions for a retention payment are met (see #9 below). The total OJT reimbursement obligation – the sum of the training payment and retention payment amounts – should be calculated and shown on the top of the Training Plan and is the amount obligated for the training activity.

#### **2. OJT Trainees**

OJTs may be written for newly hired employees (during the first two weeks from the hire date or four weeks for OJTs originating with staffing services) or for current employees who require additional training to advance in their salary structure to a new position or to a position eligible for benefits.

#### **3. OJT Forms and Paperwork**

The following standard OJT forms will be used. The forms are provided as Word Document Forms and are designed to be created on a computer and printed for signature.

- ♦ On-the-Job Training Employer Checklist
- ♦ On-the-Job Training Agreement and Rules

- ♦ On-the-Job Training Plan and Instructions
- ♦ On-the-Job Supplemental Training Plan
- ♦ On-the-Job Training Plan Modification
- ♦ On-the-Job Training Invoice – Training Period
- ♦ On-the-Job Training Invoice – Retention Period
- ♦ On-the-Job Training Exception Request

If the OJT is written with a staffing agency, the following staffing agency forms will be used along with the standard Employer Checklist, and Supplemental Training Plan and Modification (if needed).

- ♦ On-the-Job Training Agreement and Rules – with Staffing Agency
- ♦ On-the-Job Training Plan and Instructions – with Staffing Agency
- ♦ On-the-Job Training Invoice – Training Period – with Staffing Agency
- ♦ On-the-Job Training Invoice – Retention Period – with Staffing Agency

#### **4. On-the-Job Training Employer Checklist**

Complete the Employer Checklist when an employer is interested in entering into an OJT Agreement. OJT agreements cover both new hires and eligible, current employees. The checklist should be updated when the business is sold; transferred; or when any other major changes affecting training, hiring, or job retention occur. Every employer must have a completed, current, and signed checklist on file.

The first thirteen items on the Employer Checklist are informational and designed to trigger discussion around the employer's business and workforce needs. The second eight items are regulatory and may prevent writing the OJT if an irresolvable problem surfaces (refer to the OJT Development Manual for additional details). When the employer representative signs the form, they are attesting to the validity of the regulatory information. The Employer Checklist becomes a part of the OJT Agreement by reference.

#### **5. On-the-Job Training Agreement and Rules**

An OJT Agreement is completed after the Employer Checklist has been finalized, and any issues that may have surfaced have been resolved.

Note: If the employer has entered into OJT's in the last two (2) years, the retention rate must either be adequate or an acceptable corrective action plan must be in place. A 75% retention rate is presumed to be adequate. If a lower retention rate has occurred (See Checklist item #20), a reasonable explanation or a corrective improvement must be documented. If fewer than five OJT's have completed in the last two years, the small sample size should also be considered. This calculation is to take into consideration all OJT's written within the area. If an employer indicates they have used OJT's in the past, check with the Clackamas Workforce Partnership Program Manager to determine multi area experience (if any). Any OJT's written for businesses that are located in other areas must be coordinated with that area and cleared with the Clackamas Workforce Partnership Program Manager. Refer to the OJT Development Manual for further detail and information.

The Agreement will cover any positions that have been identified for which the employer expects to need help filling and which are likely to require on-the-job training; as well as positions which are now filled by eligible adults, dislocated workers, or youth who need training to retain and advance in their employment.

The Agreement and OJT Rules should be reviewed and discussed with the employer (and any involved staffing agency) to assure they understand the intent of the Agreement as well as the restrictions that apply. The employer, staffing agency (if involved), and the service provider sign the OJT Agreement.

## **6. On-the-Job Training Plan and Instructions**

The On-the-Job Training Plan is the document which obligates training funds for a trainee and outlines the planned training activities to be accomplished during the training period. Instructions for making the skill assessments are included on the form.

All trainees must be determined WIOA eligible, been newly hired by the employer (OJTs must be written within two weeks of the hire date or four weeks for OJTs originating with staffing services) and determined to require training to meet the employer's entry-level standards for the position. The trainee may also be a current employee who has been determined WIOA eligible and needs training to advance to a new position.

"Skills Objectives" should be documented in the Training Plan. Write the skills in plain English, basing the score primarily upon the supervisor's judgment. Training is presumed to be needed when the Skills to be Learned "Starting Capability" scores are either a "1" (beginning) or a "2" (intermediate) and can be raised to "3"s (skilled) by the end of the training period. Exceptions may be made on a case-by-case basis via the Clackamas Workforce Partnership's Program Manager who will bring it before the Executive Director for consideration.

For new hires, the job should provide at least thirty (30) hours of work each week. The wage in the training plan should be at least \$14.00 per hour plus a benefit package that includes at least medical insurance with an employer contribution toward premiums.

A current employee must also, as a result of successfully completing the OJT:

- a. Expect a wage gain of \$0.50 or more by the end of the training period; or
- b. Expect an upgrade to a new position; with the vacancy created for the employee's previous position "backfilled" with a new hire made through the service provider after training is complete.

Case-by-case exceptions may be granted. Examples of exceptions might include (but are not limited to) a worker who:

- a. Has a disability and requires retraining; or
- b. Will gain medical benefits and regular employment status as a result of the training;  
or
- c. Would avoid a layoff through retraining.

Training need, training completion, and training length are determined trainee-by-trainee using the OJT Training Plan Instructions.

The duration of the training period should be estimated as follows:

- a. The service provider representative, working with the employer, determines the job title for the position to be trained for by referencing the Occupational Network (O-Net).
- b. From O-Net, specific vocational preparation (SVP) parameters are obtained. It is within these parameters that the length of training is set (see OJT Development Manual Section VI.D).
- c. The service provider representative should consider the training needs of each participant.
- d. An OJT 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 contract, consideration must be given to the skill requirements of the occupation in conjunction with the academic and occupational skill level of the participant, their prior work experience, and any disability they may have.
- e. No OJTs should be written with a training period of less than four weeks or more than 25 weeks (see OJT Commitment Obligation Calculator). Exceptions may be made on a case-by-case basis via the Clackamas Workforce Partnership's Program Manager who will bring it before the Executive Director for consideration.
- f. A current employee may receive an OJT if they are determined eligible and additional skills and abilities are needed. The OJT "Starting Capability" score and planned gain by the end of the training period document the need for additional skills and abilities and justify the writing of an upgrade OJT.

#### **7. On-the-Job Supplemental Training Plan**

Supplemental training tied to training on-the-job may be negotiated using the OJT Supplemental Training Plan. An example is a computer class that is scheduled during the trainee's normal work hours that would help the trainee better complete their job duties. The employer might agree to release the trainee for that time period if that trainee agrees to take, attend, and make satisfactory progress in the class. Supplemental training is highly encouraged when appropriate and may be paid for, in whole or in part, by the employer, the service provider, or by the trainee. WIOA training funds may be used for supplemental training required as a part of the Training Plan.

#### **8. On-the-Job Training Plan Modification**

Modifications to the OJT may be executed as needed. The most common modification is extension of the training period. The second most common modification is a changed training plan. Work conditions often shift or trainee skills may require new work duties or a position change.

## 9. OJT Invoices

There are two pay points for On-the-Job Training Plan obligations – at the completion of training and at the end of the retention period. The total OJT payment may not be more than 50% of the wages earned during the training period, or \$5,000, whichever is less (unless special circumstances apply in discretionary grants). One-half of the payment is made at the completion of training and the remainder paid 90 days later at the successful retention of the trainee.

**OJT Invoice – Training Period:** Once all of the “Skills Objectives” listed in the Training Plan have been scored a “3” (“skilled”), an invoice may be submitted for the training period. The standard for scoring a “3” is “Meets the employer’s standard for the task.” Scoring should consider the employer’s normal expectation for an employee in the same position at the same pay grade and with similar job tenure. Exceptions may be made on a case-by-case basis through the Clackamas Workforce Partnership Program Manager who will bring it before the Executive Director for consideration.

The trainee must still be employed and expected to work at least thirty (30) or more hours each week in the normal course of business after the training period and retention period. No material compliance issues may be outstanding.

Complete all components of the training period invoice and use the calculation on the invoice to compute the appropriate billing amount.

**OJT Invoice – Retention Period:** The remainder of the OJT reimbursement (no more than 50% of gross wages in the Training Period, minus the Training Payment) may be requested after an additional ninety (90) days has elapsed after training completion and the trainee has retained employment which is expected to provide thirty (30) hours of paid work a week or more.

When a trainee voluntarily switches jobs to increase their pay rate or gain other significant benefits, payment may be made to the employee’s last day worked. If the trainee quits or is fired for cause, disqualifying them from receiving unemployment compensation, payment may also be granted, particularly if the employer has a good retention track record and continues to hire through the WorkSource system.

Total OJT reimbursements for an individual trainee should not exceed the amount obligated as shown on the top of the Training Plan, or any subsequent modifications.

## 10. Trainees Leave Prior to Completion of Retention

If the Trainee leaves during the training period, the employer will be reimbursed only for 50% of the wages earned during training, prior to separation.

If the Trainee leaves on their own or is terminated for cause during the retention period, the employer should be reimbursed for all training costs (both the training payment and the retention payment). A meeting with the employer should try and determine if the trainee

actually went to another employer at an equal or better salary as a result of the training received. Issues to be explored and documented in the case notes include if there are circumstances that need to be addressed in future referrals and/or if a replacement can re-fill the position, with or without another OJT.

If the Trainee is laid off during the retention period, the employer does not qualify to receive the retention payment.

### **11. Writing a Second OJT for the Same Individual**

When training and retention is completed, there may be opportunity to see if an “upgrade” is possible (increasing pay \$.50 an hour or more) and if a “backfill” and a new hire can be negotiated. If “upgrade” is possible, consider writing a second OJT for the same trainee. Significant additional training, as documented in a new Training Plan, must be needed.

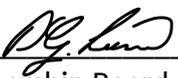
### **12. On-the-Job Training Exceptions**

From time-to-time a participant or work conditions may not fit the “OJT” model outlined in this procedure. Exceptions should not become the norm but may be made when appropriate. Examples of possible exceptions include:

- a. The trainee is not expected to be fully skilled (all “3”s on the Ending Capability score) at the end of the training period, but substantial training has occurred and the trainee is expected to be retained and trained further by the employer. The trainee should have gained a significant number of score points overall: “1”s to “2”s and some “2”s to “3”s, for example. An extension of the training period past the 25 weeks may be warranted or the employer may deem the participant “trained” to a satisfactory level to maintain employment in the position.
- b. A trainee’s individual circumstances should also be considered. For example, the OJT length or amount may be adjusted to reasonably accommodate a learning or other disability.
- c. The trainee is placed in a job that is less than 30 hrs per week because physical or mental challenges limit their ability to work a 30 or more hour work week.
- d. The trainee is placed in a job that does not provide health insurance coverage.

All exceptions should be documented using the On-the-Job Training Exception Request form and submitted to the Clackamas Workforce Partnership Program Manager to bring before the Executive Director for review and consideration.

Approved:

  
\_\_\_\_\_  
Clackamas Workforce Partnership Board Chair

2/20/2020  
\_\_\_\_\_  
Date