

On-The-Job Training
Practices and Procedures
Manual

The purpose of this Practices and Procedures Manual is:

- (1) To encourage an increase in the utilization of the On-the-Job-Training (OJT) Program, in the local workforce regions. The OJT is an excellent tool to assist in achieving training and placement goals for WIA customers.
- (2) To provide Missouri's minimum standards for operating federally funded OJT programs.
- (3) To encourage local workforce regions to develop local protocol and processes for marketing as well as minimum standards for company eligibility such as wages & industry types. However while protocol and policies are important, it is recommended to not incorporate unnecessary and cumbersome processes.

I. OJT Employer Outreach and Eligibility

“On-the-Job Training Contracts must ensure that participants are provided a structured training opportunity in which to gain the knowledge and competencies necessary to be successful in the occupation in which they receive training.”

Marketing and Outreach

A sound marketing plan should be based on the premise that businesses will use an organization that serves their interests. Marketing efforts should begin with the Business Services Team and be designed to insure the elimination of duplicative efforts and administrative waste. Objectives for marketing and outreach should be defined regionally along with suiting the area employment conditions. Labor market information should be researched using the many on-line resources available to the Workforce Professional including Missouri Economic Research and Information Center (MERIC) accessed at www.missourieconomy.org , O*Net On Line accessed at www.online.onetcenter.org and North American Industry Classification System (NAICS) accessed at www.census.gov/eos/www/naics.

Marketing can be done directly or indirectly. Marketing includes, but is not limited to: face-to-face contacts with employers, mail outs (introductory letters, notes of appreciation, newsletters), involvement with the Chamber of Commerce, press releases, networking with other agencies, and speaking to civic organizations.

Sample marketing strategies include:

- Research companies thoroughly before contact noting previous labor needs.
- Target high growth industries for marketing.
- Educate employers about how On-The-Job (OJT) training can enhance their business, cut waste, help train employees, reduce turnover and increase profits.
- Project company savings by utilizing the OJT Program.
- Ensure employer generated required paperwork is minimal and assisted by the DWD/WIB contract representative.

Determining Employer Eligibility

Local Boards may consider identifying priorities for the selection of employers.

New regulations provide for the subcontractor to affirm enrollment and participation in the E-Verify federal work authorization program. Prior to agreement to an OJT Contract, a pre-contract evaluation of the employer performance should be considered following the criteria listed below when possible:

- Is this employer relocating from another labor market area (WIA Section 181(2)(b)(2))?
- Will this training displace current employees?
- What have been the hiring practices of this employer in general?
- Have safety and health issues been attended to and addressed?
- Is there appropriate supervision and training for all participants?
- Is this business receiving any other assistance, such as funding through the Department of Economic Development, Missouri Customized Training Program?
- Is this a new or established business?
- What has been the turnover rate for this business and/or this job?
- Does the business appear to be financially stable?
- What is the demand for this job in the local labor market
- What are the wages and benefits?
- Does the employer pay the employer wage taxes?
- What is the history or pattern of layoffs?
- Is this a full time position as defined 32 or more hours per week?
- Is this seasonal employment?
- Is a collective bargaining agreement in place? If so, is training consistent with the collective bargaining agreement?
- Contracts may not be entered into with temporary or intermittent employment or employment in an occupation for a fee.

II. Required Paperwork

CONTRACT PREPARATION

OJT is provided under a contract with an employer in the public, private non-profit, or private sector. The local program operator must not contract with an employer who has previously exhibited a pattern of failing to provide OJT participants with continued long-term employment with wages, benefits, and working conditions that are equal to those provided to regular employees who have worked a similar length of time and are doing the same type of work.

- An employer orientation must be completed with each employer and/or employer representative; and, will discuss at a minimum the contract provisions and training plans.
- OJT orientation must also ensure that participants will not be employed in sectarian instruction or religious worship and equal opportunity in all services is provided without regard to race, sex, color, religion, national origin, gender, disability, citizenship, or participation in program activities.
- The Region must have a policy in place to handle employer disputes, nepotism and contract modification requests. Contracts must include references to labor standards; grievance procedures; compliance with all applicable business licensing and taxation; provisions covering liability, sanctions, debt repayment; and the employer's commitment to retain the participant(s) upon training completion.
- The Region must have established due process procedures which provide expeditious appeal for:
 - WIA participants subject to testing for the use of controlled substances imposed under a state policy established under WIA section 181(f); and
 - WIA participants who are sanctioned after testing positive for the use of controlled substances, under the policy described in paragraph (c)(1)(i)

DWD recognizes that different contracting methods are in use by the WIA Regions. The Regions are encouraged to review their present contracting standards in relation to DWD and federal regulations and monitoring requirements.

ON-THE-JOB (OJT) TRAINING CONTRACT MINIMUM REQUIREMENTS

The OJT contract should identify the occupation, the skills and competencies to be learned and the length of time the training will be provided and must be limited to the period of time required for a participant to become proficient in the occupation for which the training is

being provided. In determining the appropriate length of the contract, consideration should be given to the skill requirements of the occupation, the academic and occupational skill level of the participant, prior work experience, and the participants individual employment plan (IEP). (WIA sec. 101(31)(CC))

At a minimum, an on-the-job training contract must comply with the requirements of WIA sections 195(4) and 101(31) and must include:

- The occupations(s) for which training is to be provided;
- The duration of training;
- The wage rate to be paid to the trainee;
- The rate of reimbursement;
- The maximum amount of reimbursement;
- A training outline that reflects the work skills required for the position;
- An outline of any other separate classroom training that may be provided by the employer; and employer for reimbursement under the OJT contract.
- The employer's agreement to maintain and make available time and attendance, payroll and other records to support amounts claimed by the employer for reimbursement under the OJT contract.

TRAINING PLANS

After determination of the position in which the participant will be trained, an OJT Training Plan must be developed. This Plan will be a formal and written program of the structured job training that will provide participants with an orderly combination of instruction in work maturity skills, general employment competencies and occupationally specific skills that will enable the participant to work toward self-sufficiency. Use ONET and/or company job description as a basis to begin listing skills or tasks to the extent they are accurate. Keep each skill description concise and comprehensive and make sure the individual tasks are measurable and observable.

The Training Plan must include:

- Name of participant;
- Social Security Number;
- Occupation;
- ONET Code;
- SVP Level;
- Starting and ending dates of training;
- Number of hours per week trainee will work;

- Initial wage rate and scheduled raises (if any);
- OJT reimbursement dollar amount and the percentage;
- Method and maximum OJT obligation amount;
- Name or job title of person responsible for training;
- A job description or training outline that reflects what the participant will learn;
- List of specific skills or tasks the employer agrees to provide to the participant
- Any other separate training that may be provided;
- Signature of trainee and date; and
- Signature of employer/trainer and date.

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). Each participant's length of training must be consistent with an overall WIB policy that specifies the training time (e.g., ONET and/or the employer training plans). An attachment of a Conversion Matrix with SVP levels and suggested minimum and maximum weeks of training is attached.

Individuals in OJT shall be compensated at the same rates, including periodic increases, as trainees or employees who are similarly employed in similar occupations by the same employer; and, who have similar training, experience, and skills. Such rates shall be in accordance with applicable law, but in no event, less than the higher of the rate specified in Section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) or the applicable state or local minimum wage.

INVOICING

Payments to employers for OJT shall be in compliance with WIA program guidelines and local regions policies. The Federal Regulations state "Through the OJT contract, occupational training is provided for the WIA participant in exchange for the reimbursement of up to 50 percent of the **wage rate** to compensate for the employer's extraordinary costs."

Regions must ensure that payments to employers are in compensation for the extraordinary costs associated with training participants and in compensation for the costs associated with the lower productivity of such participants. Employers, however; are not required to document these extraordinary costs.

Reimbursement policy will be based on an invoice system that clearly documents the number of hours worked each day by the participant and rate of pay for the time period. Invoices must be signed by both the participant and the employer or only by the employer if

accompanying documentation (timesheets/time cards) is signed by the participant and reconciled to the invoice. DWD requires that employers establish record keeping and record retention systems that assure employer records adequately support OJT invoices.

Payments to employers must be based on scheduled raises and regular pay increases, if they occur. Payments to employers cannot be made on overtime hours, shift differential, premium pay, other non-regular wages paid by the employer, or periods of time in which no training occurs (illness, holidays, plant downtime, or other events).

The DWD-PO-220 OJT Monthly Progress Report/Invoice (accessed in WorkSmart) can be used as an example of a report/invoice. All information on documents related to the Invoice must support the invoice information. Employers cannot pay OJT participants in cash.

III. DOCUMENTATION REQUIREMENTS

Job descriptions contained in OJT Training Plans must be consistent with the training being provided. Regions must develop means to document the participant has been trained in the contracted occupation.

The WIBs are responsible to ensure that either they or the program operator monitor training, invoicing, and reimbursement systems on a pre-determined, systematic, and documented basis. WIBs must also establish provisions for access to those records including such contingencies as employer bankruptcy, closure, or business relocation. All employers are required by contract to maintain their own internal supporting documentation in accordance with contractual record retention requirements.

Monitoring

Monitoring is the responsibility of the program operator. The duty may be assigned to another designated entity or individual. The monitoring will include participant training and corresponding employer payroll records. To ensure validity and propriety of the reimbursement amounts claimed, on site monitoring of OJT employers and other subcontractors is required. On site monitoring of trainees for program compliance must also be done.

In evaluating employer performance for pre-contracting and re-contracting purposes, the following criteria should be considered when possible:

- Number of positions funded;
- Number of positions filled;
- Appropriate retention rate;
- Participant turnover rate;
- Percent of money obligated;
- Identification of poor or incomplete training;
- Decrease in wages after training;
- Participant dismissal after training or during follow-up period
- Layoffs;
- Participant grievances;
- Collective bargaining agreements;
- Displacement of currently employed workers by WIA participants; and
- Business relocations to utilize area WIA trainees.

The WIB or its designee must conduct sub-state monitoring of its programs as outlined in DWD Issuance 02-01. DWD will monitor for program compliance through Toolbox monitoring and during the Regions' annual Continuous Improvement Review.

REPORTING

OJT will be reported as a program cost on the monthly Financial Online Contract Progress Report (CPR) submitted by the Regions. Additionally, OJT must be reported as a line item on the separate reporting tool provided by Financial Management on a quarterly basis. Program compliance will be reviewed and included as part of the sub-state monitoring report.

IV. TRAINEE REQUIREMENTS

Proper program eligibility is required for each funding source, i.e. WIA formula, low income, State set aside, NEG (dislocated worker), CAP recipients or Trade Act eligible. Regardless of the funding stream, 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.

DWD requires program operators to complete an IEP for all participants, in accordance with applicable federal, state, and local regulations. The IEP must be jointly developed between the customer and case manager to:

- Document information about any barriers to training and employment (such as disabling conditions, child care difficulties, work limitations, and education);
- Develop action plans to deal with such barriers;
- Develop information about education and career goals; and
- Identify the need for training.

This information is then used to develop a comprehensive package of appropriate services that will address barriers and enable the applicant to either enter employment or an educational component that meets their educational or occupational goals and will assist the participant with reaching self-sufficiency. The IEP must include, at a minimum, the following elements:

- Participant name and social security number;
- Date plan initiated;
- Current/Prior Educational status;
- Current/Prior work history and experience;
- Assessment of customers' skills; assessment of customers interests, a determination of short-term and long-term educational and occupational goals;
- Test/assessment scores for basic skills level, interest, aptitude;
- Identification of barriers to employment that hinder the participant's ability to find and maintain an unsubsidized job and determination of their support service needs;
- A plan of action to overcome barriers identified to enter unsubsidized employment;
- A listing of services that will address participant needs – this may be in the form of a listing of all services available through a partner agency and selection of those services the counselor and applicant have chosen;
- Post-program follow-up service needs;
- Disclaimer that the IEP is not a guarantee or contract to provide services; and
- Participant and counselor signatures.

The information on the IEP should have back up documentation, when appropriate. This may include copies of the various testing and assessment materials given to the customer. Case notes in Toolbox 2.0 may be used to document the IEP update process, but must be clearly identified as such. Case managers/counselors are required to keep the IEP updated according to local standards. Local monitors must regularly review each participant's progress in meeting program and service strategy objectives, including the participant's acquisition of basic/occupational skills and the adequacy of supportive services provided as related to OJT. For questions concerning Toolbox enrollment for OJT, please reference the WIA Dislocated Worker Toolbox 2.0 Desk Aid on WorkSmart located at: <https://worksmart.ded.mo.gov/index.cfm>. Once the preliminary IEP information has been gathered and the assessment process is completed, the following considerations should be addressed:

- Does the customer need to learn skills for the desired position, or have those skills already been acquired?
- Does the customer have a need for training?
- What is the best way for the individual to obtain the skills needed (i.e., OJT or Occupational Skills training)?
- Can the position be obtained without subsidizing the employer? If a need for OJT cannot be documented, a direct placement or referral to other services should be considered. If a need for OJT has been determined and recorded on the IEP, a referral may be made to appropriate employers. Factors used to select OJT as the most appropriate referral may include the customer's need for occupational training, customer's job readiness, and match of referral to the customer's needs, interests, and employment objectives; and capability of the customer to complete the training. The IEP documentation of a customer's appropriateness for OJT is required prior to employer selection.

DOT/SVP CONVERSION MATRIX

SVP LEVEL RANGE	SUM OF MIDDLE DIGIT	MIN WEEKS OF TRAINING	MAX WEEKS OF TRAINING	SVP LEVEL RANGE	SUM OF MIDDLE DIGIT	MIN WEEKS OF TRAINING	MAX WEEKS OF TRAINING
1	ALL	4	6				
2	10 OR LESS	6	12	5	10 OR LESS	15	20
	11	5	11		11	14	20
	12	5	11		12	14	20
	13	5	10		13	14	20
	14	5	10		14	13	20
	15	4	9		15	13	20
	16	4	9		16	13	20
	17	4	8		17	13	20
	18	4	8		18	14	20
	19	4	7		19	12	20
	20	4	7		20	12	20
	21	4	6		21	12	20
3	10 OR LESS	9	18	6	10 OR LESS	16	20
	11	8	17		11	16	20
	12	8	17		12	16	20
	13	8	16		13	16	20
	14	8	16		14	16	20
	15	7	15		15	16	20
	16	7	15		16	16	20
	17	7	14		17	16	20
	18	7	14		18	16	20
	19	6	13		19	15	20
	20	6	13		21	15	20
	21	6	12		21	15	20
4	10 OR LESS	12	20	7	ALL	16	20
	11	11	20				
	12	11	20				
	13	11	20				
	14	11	20				
	15	10	20				
	16	10	20				
	17	10	20				
	18	10	20				
	19	9	19				
	20	9	19				
	21	9	18				

FORMS

(To open forms put cursor on the blue form #, hold down control button and click mouse to open link in WorkSmart)

DWD-PO-213	On-The-Job Training Program Contract
DWD-PO-214	On-The-Job Training Outline and Job Description
DWD-PO-215	On-The-Job Training Supplemental Agreement
DWD-PO-217	On-The-Job Training Eligibility Notification
DWD-PO-219	On-The-Job Training Report of Monitoring Visit
DWD-PO-220	On-The-Job Training Monthly Progress Report/Invoice