

Governor's Workforce Investment Division Policy No. 14-00

Subject: On The Job Training (OJT)

Effective Date: October 31, 2000

Purpose: To provide policy guidance to local workforce investment areas on on-the-job training requirements under the Workforce Investment Act (WIA).

References: Workforce Investment Act of 1998, Section 101 (31); 20CFR Part 652 et al. Workforce Investment Act, Final Rules, Subsection 663, dated August 11, 2000.

Background: If WIA customers are not able to find employment using core and intensive services, they may be eligible for training assistance under WIA. WIA training is delivered through Individual Training Accounts, except under certain exceptions. One of those exceptions is the provision of on-the-job training (OJT). OJT is defined in Section 101(31) of the Act 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 of the wage rate of the customer, 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 customer is being trained, taking into account the content of the training, the prior work experience of the customer, and the service strategy of the customer, as appropriate. OJT has a long history in employment and training programs. Many of the long-standing precepts of OJT are continued under WIA. Essentially OJT is training delivered by an employer for an individual who does not meet the employer's normal hiring requirements.

The employer is compensated at a rate up to 50% of the employee's wage for a specified period of time in lieu of the extraordinary training costs the employer incurs.

Before entering OJT, a customer's needs, skills, and career plans must be assessed and documented. Only where the customer will benefit from the OJT experience should that individual be enrolled in OJT.

Policy: Each local workforce investment area must develop OJT policies that apply to its own circumstances and conditions. OJT contracts must be limited in duration to the period of time necessary for an individual to become proficient in the occupation for which the individual is being trained. Local areas must develop standardized approaches to assessing the time requirements. There are two major considerations. First is the normal training time for a given occupation. Local areas may use such approaches as the Specific Vocational Preparation (SVP) Training Time, which was part of the now outdated Dictionary of Occupational Titles (DOT). A more recent innovation is O'NET, the replacement for the DOT. O'NET provides information about thousands of job

classifications and categorizes them into different zones of preparation. O'NET may be accessed at: <http://www.doleta.gov/programs/onet>

The second consideration is the needs of the individual, which may call for a shorter training period because the individual has experience or skills that limit the training time needed. Typically the SVP defines the maximum training period allowed. While it is being replaced by O'NET, it is still a useful tool for determining training time for many traditional occupations. Local areas are urged to look at both resources in determining appropriate reimbursement periods.

Local policies must ensure that OJT contracts are not entered into with employers who have displayed poor patterns of retaining OJT employees in the past. Local areas should consider such factors as the number of contracts written with an employer and the elapsed time since the last contract in developing policies in regard to this requirement.

OJT contracts may be used for employed workers in such cases where the worker is not earning a self-sufficient wage as defined by the local area and consistent with the local area's priority of service policy and how the training relates to new technology, new service procedures, upgrading to a new job that requires additional skills, or additional workplace literacy skills, or other appropriate criteria established by the local Workforce Investment Board and detailed in its OJT policy. Local areas should give extra consideration to those employers who provide OJT for their own workers and make a commitment to backfill newly vacated jobs with WIA eligible customers.

OJT contracts cannot be used to assist, promote, or deter union organizing.

Local areas should ensure that OJT employers have not violated labor laws, discrimination laws, environmental protection laws, or health and safety laws. This may be accomplished through a written assurance from the employer incorporated into the contract. OJT employers must also ensure that workers compensation is provided to participants in the OJT activity on the same basis as the compensation is provided to other employees in similar work situations.

OJT contracts using WIA funds may not be executed if the employer has relocated to the region from another location in the United States within 120 days, and if the relocation resulted in jobs lost by employees at the original location.

Agreements with employers must be through contracts that specify the occupations being trained for, the wages to be paid, the duration of the training, and a job description. The contracts are subject to monitoring from the Federal, State, and local levels. Local areas will develop their own contracting formats.

Local areas may engage outside organizations to provide "brokering services" to find OJT opportunities and to place appropriate participants in OJT slots. Such brokered services are subject to all the requirements of OJT contracts and considerations as outlined in this policy ensuring that the needs of employers and needs of potential

employees are matched appropriately, based on the assessment of the individual customer.

Action: Local Workforce Boards are to use the policy set forth in this guidance letter in developing their local OJT policies. Since this issuance is coming out late in the local plan development process, local areas are to submit their OJT policies to the Governor's Workforce Investment Division as an addendum to their operational plans. The addendum is due in to GWID no later than December 31, 2000.

Questions: Questions related to this issuance should be directed to the Governor's Workforce Investment Division, located at Building 6, Room B-617, 1900 Kanawha Blvd. East, Charleston, WV 25305. Toll free 1-877-967-5498.

Expiration Date: Effective until rescinded or modified by the West Virginia Workforce Investment Council.