

**SOUTH CENTRAL OKLAHOMA WORKFORCE BOARD, INC.**

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Telephone Relay Service is available by dialing 711 or 800-722-0353



**SUBJECT:** South Central Oklahoma Workforce Board's On-The-Job Training (OJT) Policy

**PURPOSE:** To establish the South Central Oklahoma Workforce Board's (SCOWB) policy for the provision of OJT services to recipients of WIOA Title I Adult, Dislocated Worker, and Youth funds.

**BACKGROUND:** The Workforce Innovation and Opportunity Act of 2014 (WIOA) defines On-The-Job Training at WIOA section 3 (44). WIOA allows for the provision of OJT for an unemployed individual when eligibility and other criteria are met. An OJT may take place with an employer in the public, private non-profit, or private sector.

The employer provides this OJT in exchange for a reimbursement to compensate for the employer's extraordinary costs associated with training the OJT participant and the costs associated with the lower productivity of the OJT participant. The extra costs are presumed and need not be documented. (20 CFR 680.720)

OJT is a viable training option for participants who prefer hands-on training experiences to a traditional classroom setting. The OJT participant is assured a job at the end of training while earning an income during the training.

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**POLICY:** OJT must be provided through a contract to provide a structured occupational training opportunities for the OJT participant to gain the knowledge and competencies necessary to be successful in the occupation in which they receive training. The employer is reimbursed up to fifty percent (50%) of the participant's wage rate to compensate for the extraordinary costs of providing the training and additional supervision related to the OJT (WIOA 680.720).

The contract must be completed and signed before the OJT participant starts working. [20 CFR 680.720 (b)]. The WIOA service provider or other designated staff, and the employer must sign an OJT contract for each OJT participant.

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**A. OJT contracts must not be written for the following occupations:**

1. one in which an employer would typically be able to train a new employee in the first few days or weeks on the job;
2. jobs in which the principal source of income is tips, commissions or piecework;
3. jobs for commission salespersons, casino or other gambling establishment, aquarium, zoo, golf course, swimming pool, seasonal workers, or occupations requiring licensing as a prerequisite for hiring;
4. jobs for commission salespersons, occupations requiring licensing as prerequisite and seasonal workers with WIOA formula funds;
5. those jobs that are intermittent or seasonal in nature; and
6. jobs used to assist, promote, or deter union organization.

**B. WIOA service providers must adhere to the following requirements and restrictions for OJT.**

**1. Duration of OJT.**

a. An OJT contract must be limited to the period of time required for the participant to become proficient in the occupation for which the training is being provided. No OJT contract will be longer than six (6) months and will not exceed 1040 hours.

b. Appropriate contract length will be determined by considering the skill requirements of the occupation, the academic and occupational skill level of the participant, and the participant's prior work experience. In assessing the time requirements, the WIOA service provider counselor will consider the specific skills needed for that occupation as required by that employer for that job; the normal training time for that occupation as shown by O\*NET, which may be accessed at <http://www.doleta.gov/programs/onet>; and the specific additional skills to be learned by the OJT participant as determined by the assessment of the participant's current skills and experience in comparison to what is required for successful performance in that specific occupation.

c. The Training Length Determination Form will be used to calculate the maximum number of hours allowed for the OJT contract. The actual hours of the contract will be determined by the Training Outline/Plan, which is developed jointly by the OJT supervisor and the WIOA service provider counselor.

2. Rationale for OJT. The rationale for the OJT training, including duration, must be entered in the participant's Individual Employment Plan (IEP).

**C. Employer Eligibility**

1. OJT contracts must not be entered into with employers who have displayed poor patterns of retaining OJT participants in the past. Careful consideration should be given when selecting suitable employers. General business practices in terms of working conditions (safety, health), presence of health benefits, wage structure, turnover rates, adequate staff and equipment to carry out the training, and whether the employer is in compliance with federal, state and local laws, etc. are potential indicators to research.

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2. OJT is a “hire first” program; the OJT participant becomes an employee of the company at the start of the training program. The OJT participant may not be someone already on the employer’s payroll, nor be hired prior to the effective date of the OJT contract. Training may begin after the OJT contract has been signed by all parties. The employer is required to certify the intention to retain the OJT participant after the reimbursed training period if the OJT participant accomplished the specific occupational skills to be learned as stated in the OJT contract.

3. Potential employers must be able to demonstrate their ability to train participants. The person(s) providing instruction and guidance to the OJT participant must be capable of delivering instruction consistent with the employer’s needs and must have the time away from his/her other duties to provide the needed training and supervision. To document this, the WIOA service provider counselor will complete the Employer’s Ability to Train Checklist.

#### D. Pre-Award Review

1. According to Section 638.260, WIOA funds may not be used or proposed to be used for:

- a. 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; and
- b. customized training, skill training, or on-the-job training or company-specific assessment of job applicants or employees of a business or a part of a business that has relocated from any location in the United States, until the company has operated at that location for 120 days, if the relocation has resulted in any employee losing his or her job at the original location.

2. To verify that an establishment which is new or expanding is not, in fact, relocating employment from another area, pre-award review criteria must be completed and documented jointly by WIOA service provider staff with the establishment, as a prerequisite to WIOA assistance. The employer wishing to implement training must be reviewed on-site prior to the execution of the first training contract of each year.

3. All designated staff will use the Pre-Award Review form to provide documentation of the new or expanding establishment. Although the Pre-Award Review form must be completed before the execution of a new contract – the pre-award review and the signing of the contract may occur during the same visit to the establishment. The Pre-Award Review form is a mandatory form that includes all of the elements required in Oklahoma Employment Security Commission policy.

#### E. OJT Contract Requirements

To comply with state policy, OJT contracts require the following elements. The On-The-Job Training (OJT) Contract, pages 1 through 5 will be used.

1. Wages paid to OJT participants must be at least the prevailing entry wage for any specific entry occupation in the community. If the employer operates under a collective bargaining agreement, the wage and benefits must be those specified in that union agreement and the job opening must be cleared with the appropriate union.

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2. Employers must comply with requirements of the Civil Rights Act with respect to equal opportunity in employment for the OJT position as well as comply with all federal, state, and local laws.
3. OJT participants hired under this program will be subject to the same personnel policies, rules and regulations, and afforded the same benefits as the other participants of the company.
4. Employers must carry Workers' Compensation Insurance and make Federal and State Tax withholdings as required by law. In addition, the individual OJT participant payroll tax records and receipts for services (if applicable) must be maintained and available for review for a minimum period of three years after the end of the training period.
5. Conditions of employment and training will be in full accordance with all applicable federal, state, and local laws (including but not limited to child labor, health and safety laws), and be appropriate and reasonable in regard to type of work undertaken and the proficiency of the participant.
6. Employer certifies that the OJT participant will not displace any regular employee and certifies that no person was displaced as a result of relocation of the current business in the 120 days prior to signing the Pre-Award Review form.
7. The OJT occupation must not involve religious or political activity.
8. The OJT must be conducted at the employer's place of business or another site, and may not be subcontracted.
9. No employer may hire an OJT participant if a member of the OJT participant's immediate family is engaged in an administrative capacity for that employer.
10. The OJT employer must certify that neither the employing company nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or excluded from participation by any federal department or agency.
11. OJT contracts can be written with employers from the public, private non-profit or private-for-profit business sectors.
12. The OJT Training Outline/Plan must be written for skills that the OJT participant does not already possess. Care must be given to check the OJT participant's work history, and to document that the new skills to be learned are different, more difficult, and/or unique to the new job, and are therefore necessary to perform the new job tasks.
13. The OJT contract will provide that the employer will maintain and make available time and attendance, payroll, and other records to support amounts invoiced and reimbursed under the OJT contract.
14. Modifications to the OJT contract can be made as needed through mutual agreement of the employer and the service provider.
15. Termination of OJT Participants clause.
16. Displacement of Currently Employed Workers clause.
17. Access to Records clause.

#### F. Progress Review

The WIOA counselor will conduct monthly progress visits by phone, e-mail or in person to ensure compliance with provisions of the contract and that training is being provided as outlined in the contract. If the progress review is conducted in person, the WIOA counselor will ask to see the Training Progress form to ensure that the employee is making progress toward the completion of the Training Outline/Plan. Contact information and participant progress will be documented in Oklahoma Service Link case notes.

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## G. Employer and OJT Employee Orientation

1. Before the OJT participant begins training, the WIOA counselor will provide an orientation to the employer to ensure that he/she understands:

- a. the contract terms;
- b. the purpose of the OJT (including the Training Outline/Plan)
- c. the best method for communicating with the WIOA service provider;
- d. the process for preparing and submitting timesheets; and
- e. the OJT participant must receive an orientation from the employer, which includes the employer's rules and expectations about the training and evaluation methods, safety information and benefits.

2. To document that both orientations have taken place as required, the WIOA counselor will obtain signatures on both the Employer Orientation and the OJT Employee Orientation forms.

3. When providing an OJT service, use the On-The-Job Training Contract Package. This is a document containing all the forms required for the OJT contracting process. It will be updated with form changes as appropriate.

## H. The service provider must adhere to the following requirements for OJT.

### 1. Recordkeeping System

- a. The service provider must maintain a recordkeeping system that will provide timely and relevant information for management and planning purposes. The recordkeeping and accounting system that is currently in use by the service provider works well for other WIOA accounting and should be sufficient for OJT.

b. In addition to the formal accounting system, a spreadsheet will also be used to keep track of contract numbers, training hours and funds balances, and payment amounts.

2. Documentation. The service provider will maintain a contract file on each OJT with the following documentation:

- a. Pre-Award Review form
- b. Original OJT Contract
- c. Employer Orientation verification
- d. Employee Orientation verification
- e. Proof of Workers Compensation Insurance coverage
- f. OJT Contract modifications
- g. Training Length Determination Form
- h. Employer's Ability to Train Checklist
- i. Invoices and supporting documentation
- j. Training Progress form (both interim and final)
- k. Monitoring reports, corrective action, and follow-up
- l. Justification of OJT participant's failure to satisfactorily complete (if applicable)

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I. The SCOWB staff designated as monitor must adhere to the following requirements for OJT on site monitoring.

1. Each OJT contract must be monitored on-site at least once during the contract period. The purpose of this review is to ensure compliance with contract terms and to help solve any concerns between the WIOA service provider, Employer(s), and/or OJT Participant.

2. While on-site the monitor will verify that the participant is receiving the training contracted for in the agreement, and that the participant is not required to engage in activities prohibited by WIOA. The monitor must also review the participant's attendance records to ensure that the participant is attending and succeeding in the training, and review employer records to assure that the participant is receiving proper wages and that the employer is withholding taxes and paying workers compensation.

3. This monitoring review must comply with South Central Oklahoma Workforce Board Monitoring and Oversight Procedures.

**APPROVED BY EXECUTIVE COMMITTEE**

**DATE: NOVEMBER 4, 2015**

**REVISED AUGUST 10, 2016**

**APPROVED BY SOUTH CENTRAL OKLAHOMA WORKFORCE BOARD**

**DATE: AUGUST 25, 2016**

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