



**Workforce Impact On-The-Job Training (OJT) Policy and Procedures**

**Purpose:**

To provide information and direction for the implementation of Workforce Impact funded on-the-job training (OJT) opportunities for eligible adults who are enrolled in the Diversionary Work Program (DWP), and Minnesota Family Investment Program (MFIP) participants. Specific criteria are included to increase the amount of employer reimbursement for the OJT participant wage rate to more than 50%.

**Background:**

On-the-job training (OJT) is a training option that provides employers the opportunity to train new employees (trainees) on the specific knowledge or skills essential to the full and adequate performance of the job. OJT opportunities are formed through a contractual agreement between the employer and the OJT service provider (Workforce Impact.) The OJT service provider provides the employer with a partial wage reimbursement, typically up to 50 percent of the wage rate of the participant, for the extraordinary costs of providing the training and supervision related to the training.

OJT is a hire-first program. The trainee begins their OJT as a full-time employee of the company that has agreed to provide the on-site training and long-term employment upon completion of the OJT. The rate of pay, fringe benefits, periodic pay increases, and working conditions offered to the trainee are the same as similarly situated employees in similar positions by the same employer and are in accordance with the Fair Labor Standards Act of 1938 or the applicable state of local minimum wage laws.

**Policy:**

On-the-job training must be provided through a contract that provides a structured training opportunity for the OJT trainee to gain the knowledge and skills to be competent in the job for which they are hired. The contract must be completed and signed by all parties before the OJT trainee may begin the OJT training.

**Participant Eligibility:**

OJT trainees must meet program eligibility requirements for each funding source i.e. DWP and MFIP. Trainees must receive a documented assessment that results in the development of an individual Employment Plan (IEP) that documents the participant has the interest, aptitude and skills to meet the specific employer OJT requirements.

**OJT's for Employed Workers:**

OJTS may be written for eligible employed workers when:

- The employee is not earning a self-sufficient wage;
- All other requirements of this policy are met; and

- The OJT relates to the introduction of new technologies, introduction to new production or service procedures, upgrading to new jobs that require additional skills, or workplace literacy.

### **Employer Eligibility:**

#### The OJT Employer

- Must be registered with the Internal Revenue Service (IRS) and have an account with the Minnesota State Employment Security Department for Unemployment Insurance and carry Workman's Compensation Insurance.
- Must have operation in Beltrami County for a minimum of 120 days and be current in unemployment insurance and workers' compensation taxes, penalties, and or/interest or related payment plan.
- Must be financially solvent to meet the OJT contract obligations through the end of the training and for the participant's 12 month follow up period with the Workforce Impact Business Account Representative; have adequate payroll record keeping systems that track hours worked, gross pay, deductions and net pay.
- Cannot displace any currently employed worker or alter current workers' promotional opportunities, or have terminated any regular employee or otherwise reduced the workforce in order to hire OJT trainees.
- Must not be involved in a labor dispute or have workers currently in a layoff status or laid off workers over the past 120 days from the same or any substantially equivalent job. The period of 120 days may be waived if there are any circumstances reviewed and approved by the Workforce Impact Supervisor.
- Must not impair existing contracts for services or collective bargaining agreements. Must gain written concurrence with the appropriate labor organization before the OJT can begin if the OJT agreement would be inconsistent with a collective bargaining agreement.
- Must not allow OJT trainees to work in the construction, maintenance or operation of any facility that is used for sectarian activities or as a place of worship.
- Must not illegally discriminate in training or hiring practices because of race, color, sex, national origin, religion, disability, political beliefs or affiliations, or age

OJTs must not be written with an employer who has previously exhibited a pattern of failing to provide OJT trainees with continued long-term employment.

### **Employer Reimbursement Rates:**

The employer reimbursement rates of the regular wages earned for OJT's range from a minimum of 50 percent to a maximum of 75 percent. The reimbursement rate is based on the size of the employer as follows:

- A maximum of 50 percent for large employers defined as having 100 or more employees

- A maximum of 65 percent for medium size employers defined as having 20-99 employees and
- A maximum of 75 percent for small employers with a workforce of 1-19 employees

Regardless of the reimbursement rate, the following factors must be considered prior to approving an OJT:

- The quality of employer-provided training (e.g., an industry recognized credential, advancement opportunity);
- The number of participants the employer agrees to sponsor;
- The wage and level of the participant

Each of the above factors leading to the approval of an OJT must be documented and placed in the contract file.

### **Registered Apprenticeship Programs:**

OJT contracts may be written with registered apprenticeship programs or participating employers in registered apprenticeship programs for the on-the-job training portion of the registered apprenticeship program.

### **The OJT Contract:**

Every OJT opportunity will included a contract (agreement) with the employer and a training plan for the trainee prepared by the business account representative. The contract must include the requirements of Workforce Impact rules and regulations; the occupation, skills and competencies to be learned; and the length of time the training will be provided. Contract modifications must be in writing, signed, and dated by all parties prior to the effective date of the modification. Verbal modifications are not valid.

### **Cost Per Participant:**

Subject to funding availability the OJT trainee's needs, Workforce Impact limits the training costs to \$5,000 for jobs paying entry level wages defined as \$9.47 - \$15.00 per hour and \$6,000 for higher wage jobs, defined as paying more than entry level wages. Training costs in excess of these limits may be approved by the Workforce Impact supervisor, under special circumstances. Regardless of the hourly wage, training duration is limited to not less than four weeks and not more than 26 weeks. Training duration must be in line with Specific Vocational Preparation estimates.

### **Overtime hours for OJT:**

OJT payments may only be paid for regular wages paid by the employer. Payment may not be based on overtime, shift differential, premium pay and other non-regular wages. This does not preclude a participant from working overtime; however, the reimbursement to the employer must be based on the regular wage rate.

### **Determining Training Duration-Specific Vocational Preparation (SVP):**

Training will be limited to the period of time required for a trainee to become proficient in the position related to the training plan. WFI limits the training duration to not less than four weeks and not more than 26 weeks. Training duration is negotiated with the employer on the basis of the skills that need to be learned to perform the job at a level comparable to an employee who would be hired without the need for OJT.

Procedures

### **Participant Case File:**

All documentation relative to the selection of a candidate for an OJT opportunity and the development and maintenance for the participant's OJT training plan should be included in the participant's hard or electronic case file. Participant's files must be available to federal, state and local monitors for compliance review.

### **Employer Files:**

OJT service providers are required to keep an individual file for each OJT employer which includes the employer pre-screening checklist verifying eligibility. Employer files must be available to federal, state and local monitors for compliance review.

### **Monitoring:**

Monitoring at the local, state and federal level will include the OJT service provider's oversight of the participant training and corresponding employer payroll records.

### **Exceptions:**

Any exceptions to this policy must be approved by the Workforce Impact supervisor or the authorized representative of the provider and documented in both the trainee and employer files. Exceptions may be allowed for: employers new to Beltrami County; employers with workers in lay-off status less than 120 days; training plans exceeding the cost of time limits or other policy statements not contained in the Workforce Impact regulations.