



## **WIA TITLE I-B AND ARRA PROGRAM MANAGEMENT POLICIES AND PROCEDURES**

### **MEMORANDUM #09-07**

**To: All WIA Title I-B and ARRA Adult and Dislocated Worker Program Subrecipients**

**Subject: On-the-Job Training**

**Supercedes: On-the-Job Training #04-07A**

**Effective Date: July 1, 2009**

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#### **A. BACKGROUND**

The Workforce Investment Act (WIA) and American Recovery and Reinvestment Act (ARRA) allow for the provision of an on-the-job training activity for eligible participants in the WIA Title I-B and/or ARRA Adult and Dislocated Worker Programs through Training Services. The term “on-the-job training” means training provided by an employer in the public, private non-profit, or private for profit sector that is provided to a paid employee while engaged in product work in a job that:

- (1) provides knowledge or skills essential to the full and adequate performance of the job;
- (2) provides reimbursement to the employer of up to 50% of the wage rate for the participant for the extraordinary cost of providing training and additional supervision related to the training;
- (3) is limited in duration as appropriate to the occupation for which the participant is being trained, taking into account the content of the training, the prior work experience of the participant, and the INDIVIDUAL EMPLOYMENT PLAN (IEP) for the participant, as appropriate.

As described in Memorandum #\_\_-04, Workforce Development Council Snohomish County (WDCSC) has chosen to incorporate on-the-job training employer reimbursement within the WIA Title I-B and ARRA Adult and Dislocated Worker PTA policy umbrella. Within the PTA structure, however, on-the-job training employer reimbursement obligations and expenditures are to be tracked separately from other PTA activities and are subject to the additional policies below.

## B. GENERAL POLICY

On-the-job training shall be designed to promote the development of occupational skills in growth industries with career advancement potential. It may be offered concurrently or sequentially with other core, intensive, and/or training activities which promote the participant's self-sufficiency as defined by WDCSC and in the participant's IEP.

On-the-job training may be made available to employed and unemployed adults and dislocated workers who:

- ✓ Have met the eligibility requirements for the Adult or Dislocated Worker Program, as appropriate, and for training services;
- ✓ Have been determined to be in need of, and able to benefit from, participation in on-the-job training to achieve self-sufficiency as documented in an IEP;
- ✓ Select an on-the-job training position directly linked to employment opportunities leading to self-sufficiency in Snohomish County or in another Workforce Development Area to which the participant is willing to commute or relocate;
- ✓ Are unable to obtain funding for the employer reimbursement from another non-WIA/non-ARRA source.

## C. ADDITIONAL REQUIREMENTS

The following requirements apply to all on-the-job training positions:

- (1) An ON-THE-JOB TRAINING AGREEMENT, provided in Attachment A, may be developed between the employer and the Center Site Operator for the provision of extraordinary training and supervision in exchange for reimbursement of up to 50% of the participant's wages for the time period specified in the Agreement.
- (2) The Center site operator may not enter into an ON-THE-JOB TRAINING AGREEMENT with an employer who has previously failed to provide any on-the-job training participant 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 or who has a ***pattern of failing*** to retain employees following cessation of the Agreement.
- (3) Any ON-THE-JOB TRAINING AGREEMENT developed 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 Agreement, consideration must be given to the skill requirements of the occupation, the academic and occupational skill levels of the participant, the participant's prior work experience, and the participant's IEP.
- (4) The Center Site Operator is prohibited from charging a fee to a participant for referral to or placement into an on-the-job training position.

ON-THE-JOB TRAINING AGREEMENTS may be written for eligible employed workers when:

- The employee is not earning a wage which meets the definition of self-sufficiency established by WDCSC;
- It established that the employer has not previously failed to provide on-the-job training participants 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 or who has a ***pattern of failing*** to retain employees following cessation of the Agreement; and.
- The on-the-job training position relates to the introduction of new technologies, the introduction of new production or service procedures; the upgrading of participants to new jobs that require additional skills or workplace literacy.

On-the-job training employers should be fully informed that the subsidy they are receiving is to support the extraordinary cost of training and supervision of the participant given the participant's skills and the position for which s/he is being hired by the employer.

On-the-job training employers are not required to maintain separate records to document that extraordinary costs were actually incurred. On-the-job training employers must, however, maintain adequate participant time and attendance, payroll, and other records to support any invoice submitted the Center site operator for the reimbursement of such costs.

#### **D. LOCAL OPERATIONAL DEFINITION USED IN DEVELOPING ON-THE-JOB TRAINING AGREEMENTS**

The local operational definition for term italicized in the descriptions above has been established by WDCSC and is provided below.

An employer which has had five or more ON-THE-JOB TRAINING AGREEMENTS within the last two years shall be considered as having a ***pattern of failing*** if the 12 month retention rate of employees following the cessation of ON-THE-JOB TRAINING AGREEMENTS is less than 60%.

#### **E. ON-THE-JOB TRAINING AGREEMENT**

The WorkSource Snohomish County ON-THE-JOB TRAINING AGREEMENT is to be used to establish all on-the-job training assignments. The Agreement format may be revised by the Center Site Operator with the prior approval of WDCSC. Documentation of the method used to determine the length of a given ON-THE-JOB TRAINING AGREEMENT should be attached to the Agreement as an addendum. In lieu of this, a Center Site Operator may develop a single methodology for determining the length of such Agreements to be specified in its annual Business Plan which shall be approved by WDCSC.

The Center Site Operator may design a form or forms to capture job description information, training plan information, and progress evaluation information to assess work readiness and/or occupational skills acquisition.

A single ON-THE-JOB TRAINING AGREEMENT may be written for group training with a single training site provided the working conditions, job description, training plan, wage rates, and term of the Agreement are the same for all participants covered by the Agreement.

#### **F. COMPENSATION**

On-the-job training employers must submit an invoice and supporting documents to the Center site operator which document the hours of training the participant received through the ON-THE-JOB TRAINING AGREEMENT. An employer can only be reimbursed for actual hours the participant spent in training while on the job. Reimbursement cannot be made for work performed outside the term of the Agreement or during periods of work stoppage (e.g., strikes, holidays, vacation, sick leave, weather, or other emergency-related closing).

Payment may not be made for overtime, shift differential, premium pay, and other non-regular wages. This does not preclude a participant from working such hours, only for reimbursing the employer for up to 50% of her/his wages per the terms of the ON-THE-JOB TRAINING AGREEMENT.

#### **G. MONITORING**

Each ON-THE-JOB TRAINING AGREEMENT shall be monitored by the Site Operator through on-site visits with sufficient regularity to ensure the propriety of reimbursement claims and the provision of training as specified in the Agreement.

#### **H. ADDITIONAL CENTER SITE OPERATOR RESPONSIBILITIES**

It is the responsibility of the Center Site Operator to review and approve all ON-THE-JOB TRAINING AGREEMENTS within established policies; to maintain a system of obligating and re-obligating funds; to maintain a time and attendance and employer reimbursement system; to track all on-the-job training employer reimbursement expenditures by participant; to ensure all record of eligibility for participation in on-the-job training, the ON-THE-JOB TRAINING AGREEMENT and associated documents, time and attendance records, employer reimbursement information, and all progress reports for a given participant are maintained in the participant file; and to provide any and all Federal, State, County, and WDC monitors and auditors with access to such records given reasonable notice.

The Center Site Operator should carefully consider entering into an ON-THE-JOB TRAINING AGREEMENT with an employer under the following circumstances:

- (a) The participant was previously employed by or was referred by the prospective on-the-job training employer;

- (b) The participant's assessment indicates that her/his education and/or work history has prepared her/him for similar employment as the proposed training position;
- (c) The employer has a high turnover rate or other indicators of a potentially negative work environment;
- (d) The employer has rudimentary recruitment, screening, hiring, and/or new employee orientation practices.

The Center site operator shall not enter into ON-THE-JOB TRAINING AGREEMENTS for the following occupations:

- Occupations that do not require specific occupational training for employment;
- Occupations where the principal source of compensation is tips, commission, or piecework;
- Intermittent or seasonal occupations;
- Occupations with a substantial number of experienced workers and/or unemployed workers in the local labor market;
- Occupations with relocating companies for the first 120 days after commencing operation at its present location and where job loss has occurred at the prior site;
- Occupations from which the employer has employees currently laid off from the same position;
- Occupations related to political, electoral, or partisan activities.

The Center Site Operator shall ensure that participants on ON-THE-JOB TRAINING AGREEMENTS do not represent a disproportionate share of the employer's workforce. The maximum ratio of on-the-job training to regular, unsubsidized employees shall be less than or equal to one to four.

The Center site operator shall ensure that no person participating in an on-the-job training position shall be hired and/or supervised by a relative. For the purpose of this policy, "relative" shall include mother, father, son, daughter, grandfather, grandmother, grandson, granddaughter, step-child, foster parent, foster child, mother-in-law, father-in-law, daughter-in-law, son-in-law, sister-in-law, and brother-in-law.

#### **I. CONFLICT OF INTEREST REQUIREMENTS APPLICABLE TO ALL WORKSOURCE SNOHOMISH COUNTY PARTNERS**

All WorkSource partner agencies will avoid organization conflict of interest and their staff will avoid personal conflict of interest and the appearance of conflict of interest in the development and monitoring of ON-THE-JOB TRAINING AGREEMENTS and positions.



## ON-THE-JOB TRAINING AGREEMENT

1. This On-the-Job Training (OJT) Agreement is between the Employer, the Trainee, and the OJT Agency. The three parties agree that the Employer shall hire the Trainee and shall provide all training in accordance with the provisions and terms in this Agreement. The Trainee shall put forth his/her best efforts to acquire all necessary work skills and to fulfill all work requirements. The OJT Agency shall oversee and manage the provision of training under this Agreement. The OJT Agency shall receive invoices from the Employer and shall make payments to the Employer for satisfactory performance in accordance with the reimbursement computation and terms and conditions included herein. This Agreement includes General Provisions (Item #9) and a Training Plan (Item #10), which follow.

The parties agree to all the terms in this OJT Agreement by affixing their signatures below:

**2. EMPLOYER**

Company: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 City/Zip: \_\_\_\_\_  
 Phone: \_\_\_\_\_  
 IRS No: \_\_\_\_\_

\_\_\_\_\_  
 Signature of Authorized Official Date

\_\_\_\_\_  
 Name/Title  
 Person(s) Authorized to sign Invoice:

\_\_\_\_\_  
 Type of Company: \_\_\_\_\_ Non Profit  
 \_\_\_\_\_ Sole Proprietorship \_\_\_\_\_ Public Agency  
 \_\_\_\_\_ Partnership \_\_\_\_\_ Other

Person(s)/Title(s) Responsible for Supervision/Training of Trainee:  
 \_\_\_\_\_

Location/Telephone # of Training/Worksite:  
 \_\_\_\_\_

Employer's Product or Service: \_\_\_\_\_  
 Number of full-time Employees: \_\_\_\_\_

**WORKERS COMPENSATION:**  
 Policy No. \_\_\_\_\_  
 Company \_\_\_\_\_

Effective Dates \_\_\_\_\_ to \_\_\_\_\_

**3. OJT AGENCY**

Agency Name: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 City/Zip: \_\_\_\_\_  
 Contact Person: \_\_\_\_\_  
 Title: \_\_\_\_\_  
 Phone No.: \_\_\_\_\_

\_\_\_\_\_  
 Signature of Authorized Official

\_\_\_\_\_  
 Name/Title Date

**4. TRAINEE**

Name: \_\_\_\_\_  
 Soc. Sec. No.: \_\_\_\_\_

**5. TRAINING INFORMATION**

Position (Actual Job Title) \_\_\_\_\_  
 O\*NET Code \_\_\_\_\_  
 # \*Hours of Training \_\_\_\_\_

Hourly Wage During Training:  
 Start \$ \_\_\_\_\_ End \$ \_\_\_\_\_

OJT Training Period:  
 Begins \_\_\_\_\_ Ends \_\_\_\_\_

The maximum reimbursement to the employer under this Agreement is \$ \_\_\_\_\_. In no case can total reimbursement exceed 50% of the wages paid to the trainee during the training period. Paid hours not actually worked and overtime pay in excess of the regular hourly wage will not be reimbursed.

**6. SUPPLEMENTAL EDUCATION/TRAINING, SUPPORTIVE, PERSONNEL OR OTHER SERVICES TO BE PROVIDED: (must specify)**

Employer Responsibility:

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OJT Agency Responsibility:

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The OJT Agency is entering into this Agreement on behalf of WorkSource Snohomish County. The WorkSource partner staff who is assigned to support the Trainee and the Employer is:

Name: \_\_\_\_\_ Title: \_\_\_\_\_  
Telephone Number: \_\_\_\_\_ Fax Number: \_\_\_\_\_ Email: \_\_\_\_\_

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7. **REIMBURSEMENT COMPUTATION**

Beginning Wage and Expected Wage Increase:

\$ _____ (Wage)	x _____ (hrs)	x _____ (%) =	\$ _____
\$ _____ (Increased Wage)	x _____ (hrs)	x _____ (%) =	\$ _____
\$ _____ (Increased Wage)	x _____ (hrs)	x _____ (%) =	\$ _____

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8. **CONCURRENCES**

Is the OJT position covered under a collective bargaining agreement? Yes\_\_ No\_\_. If yes, concurrence with this Agreement must be requested from the appropriate bargaining representative, and concurrence letter must be attached.

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9. **GENERAL PROVISIONS**

- A. **EMPLOYER WILL HIRE AND TRAIN:** The Trainee will be hired by the Employer and will be provided with all necessary instruction, equipment, and materials. The Employer agrees to provide On-the-Job Training (OJT) in accordance with the Training Plan included in this Agreement.
- B. **PAYMENTS:** The Employer agrees to invoice the OJT Agency for training costs up to the amount specified in this Agreement. Payments shall be based only upon hours actually worked by the Trainee. Payments will not be made for overtime hours, vacation, sick leave, plant closures, or other paid non-work time. The final reimbursement form must be submitted within 30 days after the end of this Agreement. The Employer must submit a Reimbursement Form monthly which must be accurate and complete. Any payment which is found to violate the terms of this Agreement must be returned by the Employer to the OJT Agency.
- C. **COMMITMENT TO RETAIN:** The Employer agrees that upon successful completion of the Training Plan and/or completion of the Employer's customary probationary period, the Trainee will continue to be employed as a regular rather than as a temporary or seasonal member of the Employer's workforce.
- D. **TRAINEE ELIGIBILITY:** The Trainee must be assessed by and found eligible for training by the OJT Agency. The Trainee must have a need for the skills listed in the Training Plan to become employed by or to receive upgraded employment from the Employer prior to the beginning date of this Agreement.

- E. **RATIO OF TRAINEES TO REGULAR EMPLOYEES:** In order to assure that trainees on OJT contracts do not represent a disproportionate share of the employers' work force, a maximum ratio of one trainee to four regular employees (or 25%) should be maintained. This standard will apply to all work places with five or more employees (including Trainees).
- F. **MAINTENANCE OF EFFORT, LAYOFFS AND RELOCATION:** No currently employed worker shall be displaced by the Trainee (including partial displacement such as a reduction in the hours of non-overtime work wages or employment benefits), nor shall the Trainee be employed in a job opening when any other individual is on layoff from the same or any substantially equivalent job or when the Employer has terminated the employment of any regular employee or otherwise reduced its workforce with the intention of filling the vacancy so created by hiring the Trainee. The hiring of the Trainee under this Agreement may not infringe upon the promotional opportunities of currently employed individuals. No trainee shall be employed in a job with a relocating company for the first 120 days after the company commences operations at the new or expanded location, if the location results in an employee's job loss at the original site.
- G. **ATTENDANCE AND PAYROLL RECORDS:** The Employer shall maintain for the Trainee accurate daily Time and Attendance records showing hours worked, and payroll records showing all deductions taken and wages paid. The Employer agrees to retain these records for three years after the completion of this Agreement.
- H. **FRINGE BENEFITS:** The Employer will provide the Trainee with all benefits provided to other entry level employees. Workers' compensation or comparable accident or liability insurance coverage for work-related injury or illness is required.
- I. **DISMISSAL POLICY:** Except for serious violations of Employer policies, the Employer will not dismiss the Trainee without contacting the OJT Agency and allowing for counseling and corrective action to occur. In the event of dismissal for serious violations of Employer policies, the Employer must notify the OJT Agency on the first working day after dismissal.
- J. **TRAINEE WAGES:** The Trainee should be placed on the payroll of the Employer and shall receive wages equal to the normal entry level rate of employees performing similar work. These wages are to be paid through the Employer's normal and customary pay procedures. The Trainee shall be paid at a wage rate no lower than the Federal or State minimum wage standards, whichever is higher or prevailing wage in compliance with the Davis-Bacon Act.
- K. **TECHNICAL ASSISTANCE:** The OJT Agency will ensure provision of assistance to both the Employer and the Trainee throughout this Agreement and, during a follow-up period of at least 12 months.
- L. **EEO/AFFIRMATIVE ACTION:** No person shall be denied employment, excluded from benefits, or suffer discrimination under this Agreement because of race, color, religion, sex, national origin, age, handicap, political affiliation or belief, or solely because of his/her status as a trainee under this Agreement.
- M. **SECTARIAN ACTIVITIES PROHIBITED:** Trainees shall not be employed on the construction, operation, or maintenance of any part of any facility that is used for religious instruction or worship.
- N. **COMPLAINTS AND GRIEVANCES:** The Employer shall comply with the Snohomish County Workforce Development Council complaint and grievance policies and procedures. All complaints/grievances will first be addressed informally between the Trainee, the Employer, and the OJT Agency. If resolution does not occur to the satisfaction of any party, the parties agree to participate in and be bound by determinations resulting from the formal complaint and grievance procedures of the Snohomish County Workforce Development Council.
- O. **DELEGATION/SUBCONTRACTING:** The Employer shall not subcontract or assign training duties under this Agreement.
- P. **TERMINATION FOR NON-PERFORMANCE:** Failure to comply with any of the terms and conditions of this Agreement shall constitute grounds for termination. This Agreement may be terminated for non-performance by either the Employer or the OJT Agency following written notice to the other party. Such notice must be posted by certified mail, return receipt requested and must specify and document the reason for termination.

- Q. **TERMINATION FOR CONVENIENCE:** Either the Employer or the OJT Agency may terminate this Agreement with ten (10) days advance written notice to the other party. Such notice must be posted by certified mail, return receipt requested.
- R. **PROVISION OF FUNDING:** If funds expected to be received by the OJT Agency are suspended or terminated in whole or in part, funding for this Agreement shall cease.
- S. **MODIFICATIONS:** This Agreement may be modified at any time by execution of a written, signed modification. If the Training Plan, the total training hours, the hourly wage rate, the term of the Agreement or the work location change, the OJT Agreement must be promptly modified.
- T. **SAFETY:** Throughout the duration of the training, the Employer shall ensure that the Trainee is provided with relevant safety instructions and equipment necessary for reasonable protection against injury and damage. Where special clothing or equipment is provided to the Employer's regular employees, the Trainee shall be provided the same type of clothing and equipment. Local, State, and applicable Federal health and safety standards shall be observed.
- U. **MONITORING AND AUDIT:** The Employer agrees that the OJT Agency and/or authorized local, State or Federal representatives have the right to monitor, audit, and review the progress of training and any documents and records pertaining to training for compliance with the terms of this Agreement. This shall include periodic on-site monitoring to ensure the propriety of reimbursements and that training is being provided as specified.
- V. **CUSTOMARY PRACTICES APPLY:** The Employer will ensure that the Trainee is made aware of all the customary practices of the Employer and normal requirements of the job including personnel practices and policies.
- W. **FEDERAL, STATE AND LOCAL LAWS:** The Employer agrees to comply with all applicable Federal, State and local laws including but not limited to:
- (1) the Workforce Investment Act (WIA) of 1998, as amended, and its implementing regulations (Copies of this Act and its regulations, including technical assistance in their application, are available from the OJT Agency upon request);
  - (2) requirements governing business licensing, taxation and insurance;
  - (3) requirements that no funds received under this Agreement may be used to assist, promote or deter union organizing;
  - (4) requirements that no funds received under this Agreement may be used to promote political activities;
  - (5) requirements that no Trainee may be hired under this Agreement if such employment violates a Federal or State law regarding nepotism.
- X. **HOLD HARMLESS:** Each party shall take the responsibility for the actions of its own employees or agents when negligence occurs in the performance of this Agreement.
- Y. **DEBARMENT AND SUSPENSION:** Employer agrees to meet Federal and State requirements regarding debarment and suspension.