

Regional Program Standards

Focus: WorkSource Centers Youth Program Services
 Other:

Topic: On-the-Job Training

Date: October 1, 2023

New

Revised

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Overview

The purpose of an On-the-Job Training service (OJT) is to assist businesses in training skilled, productive workers. OJT's may be used to help train newly hired employees and employees hired to regular permanent employment through a staffing service relationship. These Regional Program Standards outline how an OJT Agreement and subsequent Training Plans are to be developed by WorkSource Portland Metro contractors.

In addition, all contractors are provided with the WorkSource Portland Metro OJT Development Manual, which includes detailed information on OJT development with guidance relative to the product's rules and regulations along with samples of the referenced forms.

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Quality Jobs Initiative

The Department of Labor and Worksystems are prioritizing advancing quality jobs in the workforce system through guidance, performance measurement, strategic use of funding opportunities, and provision of technical assistance to support quality jobs workforce strategies.

A Quality Job helps workers achieve economic stability and mobility, while prioritizing diversity and worker voice. The Columbia-Willamette Workforce Collaborative convened a Quality Jobs Council, comprised of 19 cross-sectoral participants representing businesses, workers, labor, service providers and government agencies to develop a regional definition of Quality Job to include 1) self-sufficiency wages, 2) safe working conditions/worker engagement, 3) predictable hours, 4) comprehensive benefits, 5) accessible hiring and onboarding practices and 6) training and advancement opportunities. The full CWWC Quality Jobs Framework can be found at this [link](#).

Worksystems will continually engage with employers to increase quality job opportunities for populations that have been historically underrepresented in careers with elements of high job quality and build partnerships that raise job quality in meaningful ways for all residents in our region. Additional guidance and training regarding career coaching with an emphasis on job quality will be provided by Worksystems.

Additional information and guidance can be found below in the Additional Performance and Data Guidance section.

Quality Job Standards

A quality job helps workers achieve economic stability and mobility, while prioritizing diversity and worker voice. The Quality Job Standards below should be incorporated into to career planning discussions with participants:

1. **Self-Sufficiency Wages:** A quality job provides sufficient income to afford a decent standard of living. For example, jobs that offer pay consistent with published self-sufficiency standards that consider family composition and cost of living.
2. **Safe Working Conditions/Worker Engagement:** A quality job offers employees dignity and respect and welcomes engagement in workplace operations. For example, quality jobs uphold and enforce anti-harassment and anti-discrimination policies and provide reasonable accommodation to employees with disabilities.
3. **Predictable Hours:** A quality job offers employees predictability on the number of hours they are offered per week to minimize hardship on employees and their families.
4. **Comprehensive Benefits:** A quality job provides basic benefits that increase economic security, improve health and overall well-being. Quality jobs include healthcare, childcare, transportation, wellness programs and access to retirement savings programs, among other supports.
5. **Accessible Hiring and Onboarding Practices:** A quality job offers transparent and accessible hiring and onboarding practices to ensure that employer and employee are set for success.
6. **Training and Advancement Opportunities:** A quality job provides opportunities to build skills and access new roles and responsibilities in a workplace. For example, quality jobs offer internal pathways to support career progression and professional development opportunities.

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7. The Quality Jobs Framework and Quality Job Standards should be utilized keeping in mind each program participant's unique career goals, education goals, and circumstances while developing an individualized career plan. The Framework should be used by career coaches to inform and facilitate discussions when exploring career path options and evaluating employment opportunities.

Situations may arise in which an employment opportunity does not meet all or only meets some of the quality job standards. Worksystems recognizes that getting on a pathway to a quality job is, at times, a necessary first step toward the attainment of a quality job. Supporting program participants while they remain on their career journey toward a quality job is the primary goal of a Career Coach when it comes to advancing quality jobs, and coaching job seekers in how to recognize a quality job is the key to accomplishing that goal. In the Follow-up phase, career coaches may support participants in refining the middle and longer-term goals in their career plans.

Standard OJTs

Structure

The OJT Agreement and subsequent Training Plan establish the parameters by which an employer is reimbursed for their time conducting training for a new hire that is not quite skilled in all aspects of the position but is determined an appropriate fit for the employer's workforce. OJT training payments to employers are compensation for the extraordinary costs associated with training the participant and to compensate for the lower productivity of the participant during the training period.

OJT Agreements are signed by employers and WorkSource contractors. OJT Agreements are non-financial. When a Trainee is identified and determined eligible in the program(s) that will be funding the OJT, a Training Plan is completed, and at that point training funds are obligated.

The OJT payment to the employer is divided into two parts – the first payment upon completion of training and the final payment upon completion of the retention period. The total OJT reimbursement amount may not exceed 50% of the Trainee's gross earnings during the training period (not including sick, holiday or vacation time), up to an OJT maximum established for each funding source, **whichever is less**. The total OJT reimbursement obligation – the sum of the training and retention payment amounts – is calculated and documented in the Training Plan and is the amount obligated for the training activity.

The OJT maximum for Workforce Innovation and Opportunity Act (WIOA) formula funds is established at **\$5,000**. For other discretionary grant projects that allow OJTs as a service, a different maximum may be established through Regional Program Standards for the project.

To effectively implement an OJT the employer must have adequate supervisory staff or other skilled workers who are available to instruct the trainee. The number of trainees participating at any business cannot represent a disproportionate share of the employer's work force. The number of trainees placed into OJT positions at any given time is:

- One trainee for businesses with five or fewer employees; and
- 50% of the workforce for businesses with six or more employees.

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A reasonable ratio may vary with circumstances such as the size, number of employer worksites and nature of the business. If sufficient benefit to the trainee can be documented an exception may be granted with Worksystems' WorkSource Center contractor manager approval. Exception justification is to be documented in the participant file and made available for monitoring.

It is a regional priority for OJT resources to be made available to employers in our targeted sectors which provide in-demand occupations with high job quality characteristics: Clean Energy, Construction, Healthcare, Information Technology and Manufacturing.

For new hires, the job should be expected to last at least one year and provide at least 30 hours of work each week. The wage in the training plan must be at least \$21 per hour with employer supported benefits available within the first 90 days of employment.

Benefits are defined as one or more of the following types supported, paid or managed by the employer: Medical and/or Dental insurance coverage, paid sick and/or vacation time off and/or a retirement plan which meets the definition set by the Internal Revenue Service.

Trainees

The OJT service can be particularly successful for individuals who:

- Are unable or unlikely to obtain employment without retraining.
- Are low income, receiving unemployment insurance or public assistance or needing to earn a wage while learning an occupational skill.
- Are individuals with barriers to employment who need help finding their next job.
- Are individuals who can learn the skills necessary for the occupation more easily and thoroughly on the job.
- Need supervision as they learn specific skills for an occupation.

OJT may also be a good option for currently employed individuals not earning a self-sufficient wage or not earning wages sufficiently comparable to or higher than wages from previous employment. Participants of an OJT program can acquire additional skills by being introduced to new technologies or increasing their workplace literacy.

All OJT trainees must be determined eligible for and enrolled in the grant or project that is providing funding for the OJT, including completion of all required eligibility and enrollment documentation. This may include the WIOA Adult or Dislocated Worker program (or both) and/or any discretionary grant(s).

Documentation

The following standard OJT forms are to be used, inserting the name and contact information of the contractor where indicated. The forms are provided as Word Document Forms and are designed to be created on a computer and printed for signature.

- Employer Checklist
- Agreement and Rules – Separate Staffing Service Version
- Training Plan and Instructions – Separate Staffing Service Version
- Supplemental Training Plan

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- Training Plan Modification
- Invoice – Training Period – Separate Staffing Service Version
- Invoice – Retention Period – Separate Staffing Service Version
- Exceptions Request

There are two file documentation checklists to provide guidance: OJT Participant File Documentation Checklist and OJT Employer File Documentation – Participant Tracking and Checklist.

File documentation will also include Job Descriptions, site visit documentation and any corrective action documents.

Employer Set-Up

When an employer is interested in entering into an OJT Agreement begin by completing the Employer Checklist. The checklist must be updated when the business is sold or transferred, when any other major changes affecting training, hiring or job retention occur, or every two years, whichever provides for the most current version to be on file. Every employer must have a completed, current and signed checklist on file.

The checklist is divided into two sections:

- Information Items designed to trigger discussion around the employer's business and workforce needs.
- Assurances and Compliance Items that are regulatory and may prevent writing the OJT if an irresolvable problem is surfaced (refer to the OJT Development Manual for additional details).

When the employer representative signs the form, they are attesting to the validity of the regulatory information. The Employer Checklist becomes a part of the OJT Agreement by reference.

Note: If the employer has entered into OJT's during the previous two years, the retention rate must either be at 75% or an acceptable corrective action plan must be in place. If a lower retention rate has occurred (See Checklist Item No. 22), a reasonable explanation or a corrective improvement must be documented. If fewer than five OJT's have completed in the previous two years, the small sample size should also be considered. This calculation is to take into consideration all OJT's written within the Local Area – if an employer indicates they've used OJT's in the past, check in with the Worksystems contract manager to determine regional experience (if any). Refer to the OJT Development Manual for further details and information.

Agreement and Rules

An On-the-Job Training Agreement is completed after the Employer Checklist has been finalized and any issues that may have surfaced have been resolved.

The Agreement will cover identified positions for which the employer expects to need help filling or for which the employer is interested in hiring a candidate that requires some training to become fully qualified.

The Agreement and OJT Rules must be reviewed and discussed with the employer to assure they understand the intent of the Agreement as well as the restrictions that apply. Both the employer and the WorkSource contractor signature is required on the OJT Agreement.

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Training Plan and Instructions

The Training Plan is the document which obligates training funds for a trainee and outlines the planned training activities to be accomplished during the training period. Instructions for conducting the skill assessments are included on the form.

Prior to developing the OJT with the employer, all trainees must:

- Be determined eligible for and enrolled in the project or grant funding the OJT.
- Complete all required documentation.
- Require training to meet the employer's entry-level standards for the position.

Skills to be Learned are documented in the Training Plan. Document the skills in plain language, basing the score primarily on the supervisor's judgment. Training is presumed to be needed when the *Skills to be Learned Starting Capability* scores are either a 1 (beginning) or a 2 (intermediate) and can be raised to a 3 (skilled) by the end of the training period. Refer to the OJT Development Manual for further detail and information (Section VI.E).

Training need, training completion, and training length are determined trainee by trainee, using the OJT Training Plan Instructions. The duration of the training period should be estimated as follows:

- The contractor representative, working with the employer, determines the job title for the position to be trained for, referencing the Occupational Network (O*Net).
- From O*Net, SVP parameters are obtained. It is within these parameters that the length of training is set (see OJT Development Manual Section VI.D).
- An OJT must be limited to the period of time required for a participant to become proficient in the occupation for which training is being provided. In determining the appropriate length of the plan, consideration must be given to the skill requirements of the occupation, the academic and occupational skill level of the participant, prior work experience, and any disability.
- No OJTs should be written with a training period of less than four weeks or more than 26 weeks.

Exceptions to any of the Training Plan requirements must be documented using the On-the-Job Training Exceptions form and require Worksystems' WorkSource Center contractor manager approval. Exception justification is to be documented in the participant and employer file and made available for monitoring.

Supplemental Training Plan

Supplemental training tied to training on-the-job may be negotiated using the OJT Supplemental Training Plan. For example a computer class that is scheduled during normal work hours that would help the trainee better complete their job duties. The employer would agree to release the trainee for the class and the trainee agrees to attend and make satisfactory progress in the class.

Supplemental training is highly encouraged when appropriate and may be paid for in whole or in part by the employer, the contractor or by the trainee. WorkSource training funds may be used for supplemental training required as a part of the Training Plan, as allowed by the rules of the funding source. Refer to the OJT Development Manual for further detail and information (Section VI.F).

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Training Plan Modification

Modifications to the OJT training plan may be executed as needed, such as an extension of the training period or a change to the training plan elements. Refer to the OJT Development Manual for further detail and information (Section VI.J).

Payment

There are two pay points for OJT obligations – at the completion of training and at the end of the retention period. The total OJT payment may not be more than 50% of the actual gross wages earned during the training period (not including sick, holiday or vacation time), up to the OJT maximum established for the funding source, **whichever is less**. One-half of the payment is made at the completion of training and the remainder paid 90 days later at the successful retention of the trainee in the position.

Exception Note: In the event that the grant funding will expire prior to the completion of the 90 day retention period contractors may pay the retention payment prior to the end of the 90 day retention period, with the assurance from the employer that the trainee is in good standing and it is anticipated they will remain employed through the retention period with the expectation of continued employment at 30 or more hours per week. This exception requires the Worksystems' WorkSource Center contractor manager approval. Exception justification is to be documented in the participant and employer file and made available for monitoring.

- **Training Period Invoice:** Once all the *Skills to be Learned* listed in the Training Plan have been scored at 3 (skilled), an invoice may be submitted for the training period. The standard for scoring a 3 is *Meets the Employer's standard for the Task*. Scoring should consider the employer's normal expectation for an employee in the same position at the same pay grade and with similar job tenure. Exceptions may be made on a case-by-case basis.

To invoice for the Training Period payment, the trainee must still be employed and expected to work at least 30 or more hours each week in the normal course of business after the training and retention periods. No material compliance issues may be outstanding.

The employer should complete all components of the training period invoice, using the calculation on the invoice to compute the appropriate billing amount. Documentation of the wages and training completion is required with the invoice.

- **Retention Period Invoice:** The remainder of the OJT reimbursement may be requested after 90 days have elapsed from training completion and the trainee has retained employment which is expected to provide 30 hours or more of paid work each week.

Exceptions may be granted on occasion. An example of a situation where an exception might be made is when a trainee voluntarily changes jobs to increase their pay rate or gain other significant benefits. If the trainee quits or is fired for cause (disqualifying them from receiving unemployment compensation) an exception may also be granted, particularly if the employer has a good retention track record and continues to hire through WorkSource.

Exceptions must be documented using the On-the-Job Training Exceptions form and require Worksystems' WorkSource Center contractor manager approval. Exception justification is to be documented in the participant and employer file and made available for monitoring.

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Total OJT reimbursements for an individual trainee should not exceed the amount obligated as shown on the Training Plan, including any subsequent modifications. Refer to the OJT Development Manual for further detail and information (Section VII).

Terminated Trainees

If the trainee leaves during the training period the employer will be reimbursed for up to 50% of the actual wages paid from the training start date to the date the trainee terminated (less sick, holiday or vacation time paid prior to separation). Payment is not split between training period and retention.

If the Trainee leaves on their own or is terminated for cause during the retention period, the employer should be reimbursed for all training costs (both the training payment and the retention payment). A meeting with the employer should try and determine:

- Did the trainee go to another employer at an equal or better salary as a result of the training received?
- Are there circumstances that need to be addressed in future referrals?
- Can a replacement re-fill the position with or without another OJT?

If the Trainee is laid off during the retention period, the employer does not qualify to receive the retention payment. Refer to the OJT Development Manual for further detail and information (Section VII.C).

Exceptions

From time-to-time a participant or work conditions may not fit the OJT model outlined in these standards. In these types of extenuating circumstance exceptions may be considered. Recognized exceptions include:

- The trainee is not expected to be fully skilled (all 3's on the Ending Capability score) at the end of the training period, but substantial training has occurred and the trainee is expected to be retained and trained further by the employer. The trainee should have gained a significant number of score points overall: 1 scores to 2's and some 2's to 3's, for example. An extension of the training period past the 26 weeks may be warranted, or the employer may deem the participant trained to a satisfactory level to maintain employment in the position.
- A trainee's individual circumstances should also be considered. For example, the OJT length or amount may be adjusted to reasonably accommodate a disability or other extenuating circumstance.

Exceptions must be documented using the On-the-Job Training Exceptions form and require Worksystems' WorkSource Center contractor manager approval. Exception justification is to be documented in the participant and employer file and made available for monitoring.

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Staffing Service OJTs

While OJTs are designed to be hire-first and provide training opportunities in jobs that are expected to last a minimum of one year, positions that originate through a staffing service can be valid entry points into long-term permanent/regular employment.

All Standard OJT rules defined within these Regional Program Standards and the information included in the OJT Development Manual apply to OJT contracts written with the involvement of a Staffing Service agency except as noted within this Staffing Service OJTs section.

Structure

OJT Agreements for positions that originate with staffing services are signed by the staffing agency, employer and WorkSource representatives – a separate Agreement form is provided for Staffing Service relationships. The OJT payment is made directly to the employer and is not paid to the staffing service.

Position Standards

OJT contracts may be developed for positions that originate with a staffing service when:

- The employer where the trainee is placed by the staffing service agrees to provide training and enter into the OJT Agreement.
- The OJT position is expected to transition from temporary to regular employment with the company that is providing the training within 30 days of the end of the training period.

Employer Set-Up

When working with a staffing agency, the Employer Checklist is completed for the employer that will be training the participant. When the employer representative signs the form, they are attesting to the validity of the regulatory information. The Employer Checklist becomes a part of the OJT Agreement by reference.

- *If the staffing service has entered into OJTs in the previous two years*, the rate of trainees that transition into permanent/regular employment must be either 75% or there must be an acceptable corrective action plan in place. If a lower transition rate has occurred (see Checklist Item No. 22), a reasonable explanation or a corrective improvement must be documented. If fewer than five OJT's have transitioned in the last two years, the small sample size should also be considered.
- *If the employer has entered into OJTs during the previous two years*, the retention rate must either be at 75% or an acceptable corrective action plan must be in place. If a lower retention rate has occurred (See Checklist Item No. 22), a reasonable explanation or a corrective improvement must be documented. If fewer than five OJT's have completed in the previous two years, the small sample size should also be considered. This calculation is to take into consideration all OJTs written within our Local Area – if you have an employer that indicates they've used OJTs in the past, check in with your Worksystems contract liaison to determine regional experience (if any). Refer to the OJT Development Manual for further details and information.

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Agreement and Rules

The On-the-Job Training Agreement that includes the staffing agency signature is completed after the Employer Checklist has been finalized and any issues that may have surfaced have been resolved. The Agreement and OJT Rules are to be reviewed and discussed with the employer and the involved staffing agency to assure they understand the intent of the Agreement as well as the restrictions that apply. The employer, the staffing agency and the contractor sign the OJT Agreement.

Trainees not hired by Employer

If the Trainee completes all required training within the planned training period (including any plan modifications) but is not hired as a permanent/regular employee of the company within 30 days of the end of the training period, payment will not be made to either the employer or the staffing agency.

Monitoring

OJT contractors are to monitor their engagement with OJT employers.

Monitoring includes evaluation of performance to ensure that employers are complying with the terms of the OJT agreement. This includes a determination of whether training is being provided in accordance with the plan, payment of wages is timely and at the specified rate and the maintenance of records and working conditions are in keeping with Federal requirements.

Effective monitoring requires the desk review of all correspondence from the employer, including OJT Reimbursement Invoices and the requisite documentation.

Additionally, visits to the OJT training site by WorkSource staff are required at least once during the training period. Observation of the workstation and interviews with both the trainee and the supervisor (preferably separate interviews) should be used to determine whether benefits and working conditions remain unchanged, whether the trainee is being paid on time at the proper rate, and if the training plan is being followed and on-track for completion.

Any deviations from the Agreement should be dealt with promptly, either with a corrective action plan or by suspension or termination of the Agreement if serious violations have occurred. If problems are found that are deemed correctable, a second, follow-up visit is to be made during the training period to ensure that the required changes or adjustments were made.

The training plan is used to guide the trainee evaluation process. It should be referenced each time WorkSource staff make an on-site visit to ensure that all key training elements are being addressed. Visits to the employer should be documented in the employer file. The entry should identify when the visit was made, what was observed, who was interviewed, a summary of the content of the conversation and any items of concern that need to be addressed.