

Mendocino County Workforce Investment Board

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ON-THE-JOB TRAINING (OJT) POLICY

Policy No. 3

PURPOSE: The workforce investment system established under WIA emphasizes informed customer choice, system performance, and continuous improvement. The Mendocino County Workforce Investment Board will identify training providers and programs whose performance qualifies them to receive WIA funds to train adults and dislocated workers.

BACKGROUND: Eligible providers of training services are described in WIA section 122. They are those entities eligible to receive WIA title I-B funds to provide training services to eligible adult and dislocated worker customers. Regulations governing On-the-Job Training (OJT) are found at CFR 663.595 and 663.700-663.730.

POLICY: On-the-Job Training (OJT) is provided under a contract with an employer in the public, private non-profit, or private sector. Through the OJT contract, occupational training is provided for the WIA participant in exchange for the reimbursement of up to 50 percent of the wage rate to compensate for the employer's extraordinary costs.

An OJT contract will not be executed with an employer who has previously exhibited a pattern of failing to provide OJT participants with continued long-term employment 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. At the completion of training, the employer is encouraged to provide a wage increase to the participant.

An OJT contract 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 contract, consideration will be given to the skill requirements of the occupation, the academic and occupational skill level of the participant, prior work experience, and the participant's individual employment plan.

On-the-job training payments to employers are deemed to be compensation for the extraordinary costs associated with training participants and the costs associated with the lower productivity of the participants. Employers may be reimbursed up to 50 percent of the wage rate of an OJT participant for the extraordinary costs of providing the training and additional supervision related to the OJT. Employers are not required to document such extraordinary costs.

No funds provided to employers for OJT are to be used to directly or indirectly assist, promote or deter union organizing.

For each employer awarded an OJT contract, the One-Stop operator will collect (at a minimum) the following performance information:

- The percentage of participants who have completed the training and who are placed in unsubsidized employment;
- The employment retention rate of participants six months after initial unsubsidized employment;
- The wages received by participants six months after initial unsubsidized employment, including the percentage of wage gain.

The One-Stop operator determines whether the providers meet performance criteria, disseminates a list of providers that have met such criteria, along with the relevant performance information about them, through the One-Stop delivery system. Providers determined to meet the criteria are considered to be identified as eligible providers of training services.

The Mendocino County Workforce Investment Board will conduct a certification ceremony periodically for OJT completers. This certificate identifies the skills or competencies needed for a specific job, as recognized by an employer and determined prior to training.