



WORKFORCE POLICY BULLETIN #04-20 (update of WPB #01-15)

DATE: September 1, 2020

TO: Contracted Service Providers

FROM: Donna Van Wert, Executive Director
Workforce Development Board

SUBJECT: Revised Policy Governing Issuance of On-the-Job Training Contracts (OJTs)

Purpose:

The purpose of this Workforce Policy Bulletin is to issue the revised policy related to issuance, tracking and monitoring of On-the-Job Training contracts, as stated in WPB #01-12, and to delete WPB #08-13.

Background:

On the job training (OJT) is training by an employer that is provided to a paid participant while engaged in productive work. OJT is provided under a contract with an employer in the public, non-profit, or private sector. Through the OJT contract, occupational training is provided for the WIOA participant in exchange for reimbursement ranging from 50 percent up to 75 percent of the wage rate (or as allowed by current State directive) to compensate for the employer's extraordinary costs.

OJT benefits both the participant and the employer:

- The participant starts as a permanent employee, receives training in a work setting, and gains knowledge of a job that allows them to apply their newly learned occupational skills
- The employer receives assistance recruiting, screening, hiring and training new employees in the specific skills that are needed to help the business thrive

Generally speaking, OJTs are appropriate for *Semi-skilled*, *Skilled* and *Transferrable Skill* work, as defined by *Specific Vocational Preparation (SVP)* and associated training time of *over one month up to one year*.

The *SVP* component of the Dictionary of Occupational Titles (USDOL) defines these levels as:

- *Semi-skilled work*. Jobs that require alertness and close attention; inspecting or testing; tending equipment, property, materials, or persons. Coordination and dexterity are necessary.
- *Skilled work*. Jobs that require judgment to determine form, quantity, quality, and suitability; making precise measurements or computations; dealing with abstract ideas at a high level of complexity.

- *Skills that can be used in other work (transferability).* Jobs requiring skills used in similar past work that can be used to meet current requirements.

Level (a), *Unskilled work*, is not appropriate for OJT as it can be taught in 30 days or less and does not allow the individual to gain marketable skills.

Policy:

The OJT must conform to the following points:

- The 75% of OJTs must be in one of the priority sectors identified by the Workforce Development Board: Advanced Manufacturing (and its subsector Transportation and Logistics); Health and Life Sciences; Energy; Information Communications Technology (ICT) and Digital Media; and Construction; or occupations in these clusters that span many industries, such as ICT.
- Each OJT contract must include a training plan that is based on an analysis of the skills gap to be addressed by the on-the-job training. At minimum, the analysis shall take into consideration the individual's education, prior work history, transferable skills, short-term and long-term occupational goals in relationship to the position, identified career path and the Specific Vocational Preparation (SVP) level as defined by the CFR 20 § 416.968, *Skill Requirements*.
- Wage for OJT participants is presently set at a minimum of \$15.00 per hour. Jobs must be permanent and full-time (at least 30 hours per week).
- OJT payment amounts are presently capped at \$8,000 per participant.
- Reimbursement is up to 50 percent of the wage rate. Reimbursement may increase up to 75 percent of the wage rate for priority populations as defined here, or as allowed by current State directive. Priority populations include participants with the following characteristics/barriers to employment:
 - Individuals with disabilities
 - Individuals with a felony record
 - Non-custodial parents paying child support
 - Individuals enrolled in CalFresh Education & Training
 - English Language Learners
- Employers may invoice twice, midway through and at the end of the training period, or just once at the end of the training period.
- OJT may be combined and sequential to ITA training – but the combined maximum total may not exceed \$13,000 without a specific waiver from the appropriate WDB designated staff.
- Monitoring of the OJT worksite shall occur at midpoint and upon completion of the actual training. The monitoring visit shall include a review of the worksite, and worksite agreement, confirmation of wage payment to the participant, as well as confirmation of job duties to the job description listed in the worksite agreement. Monitoring notes shall be maintained in the case management files.

In rare cases and under special circumstances a waiver of the \$15.00 wage minimum and/or the funding caps may be requested. Justification and back-up documentation shall be submitted in writing by the One-Stop Career Center Site Manager to the appropriate designated WDB staff. OJT contracts may not begin until the required authorizations are secured.

The Workforce Development Board reserves the right to review the above percentages, and based on economic conditions and subsequent State directives, to adjust this policy accordingly. OJTs apply to Adults, Dislocated Workers and Youth unless state or federal regulations require revision to the policies or more stringent limitations.

All OJT contracts and payment services will be processed through the Fiscal unit of the Employment and Human Services Department using standard forms and procedures.

Citations & References:

- *Skill Requirements*, 20 CFR, Section 416.968
- *O*NET Specific Vocational Preparation (SVP)*, <https://www.onetonline.org/help/online/svp>
- *Use of Funds for Employment and Training Activities*, WIOA section 134(c)(3)
- *WIOA Training Services*, 20 CFR Sections 680.700 through 680.750
- *Workforce Innovation and Opportunity Act*, Section 134 (c) (3) (D) (ii)
- *Operating Guidance for WIOA*, DOL ETA TEGL 3-15

If you have any questions regarding this Workforce Policy Bulletin, please contact Maureen Nelson at mnelson@ehsd.cccounty.us or 925-671-4542, or Verneda Clapp at vclapp@ehsd.cccounty.us or 925-671-4533.

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