

NORTHEAST MINNESOTA OFFICE OF JOB TRAINING

OJT in a nutshell....

OJT is meant to provide an incentive for an employer to hire someone who is not fully qualified for a position. We reimburse the employer for half that employee's hourly wages for the amount of time it takes to train them (length contingent on SVP code from O*NET - see Appendix 5 in OJT manual; average period of reimbursement anywhere from 10 - 20 weeks). We cannot do an OJT if the prospective position is the same as the applicant's last position or they are very experienced in that field (i.e. a welder from LTV is hired for a welding position somewhere else). Also note that contracts are automatically reduced to 50% of the maximum length (SVP code) if applicant has completed an educational program directly related to that field.

This is a very subjective program - if you have any questions on whether someone would qualify for a particular position, ask the Director.

Step by Step Instructions:

- 1) Check eligibility for prospective participant (dislocated worker, low income, MFIP, etc.)
- 2) Check SVP code for potential contract length (see OJT manual Appendix 5)
- 3) Ask employer or applicant how much of the position will be new to the applicant (do they have past experience, related education, some knowledge of job, etc.)
NOTE: Whether or not we can even do an OJT and the length of the OJT depends on how new the job duties will be to the employee - after this is ascertained, speak with The Director about the length of contract; she has final say on all OJT contracts. Have the following together prior to speaking with her: SVP code & corresponding maximum hours, hourly wage, whether the applicant has prior experience or education, and maximum total cost of contract (50% reimbursement times the total hours).
- 4) Gather the following information from the employer:
 - Full business *name, address, phone, primary contact*
 - *Job description* (get a good handle on the new things they will be learning vs. their prior experience and knowledge) - need hard copy of employer job description in file.
 - Hourly *wage*
 - *Benefits* package
 - *Hours worked per week* (must be 32 or more; permanent, full time)
 - *IRS number and MN Tax ID number*
 - Name of *workers comp. carrier* (don't need number - just name)
 - Whether *union* or not (need union concurrence - sometimes very sticky thing; be sure to find out if they concur before committing to employer)
 - If there is any *job-related education* they will need outside work after they start
 - Name of *trainer/supervisor*

* You will also need the corresponding *DOT number and description*

Once you have this information you are ready to write the contract and training outline:

Fill out front page of ON-THE-JOB TRAINING AGREEMENT (available electronically)

Combine employer's description and O*NET description and divide into three skill levels - from rudimentary tasks to more responsibility to firm understanding and ability to work independently. You can ask the employer for help on this, or use your best judgment and corroborate with employer. Make sure you include the hours and the trainer for each skill level.

Once paperwork is completed (use OJT FILE CHECK-OFF AND PAPER FLOW PROCEDURES, Appendix 9 in manual), bring **full Agreement** to employer along with:

- ON-THE-JOB TRAINING PRE-AWARD CERTIFICATION
 - Several copies of the ON-THE-JOB TRAINING INVOICE form
- ...and explain agreement to employer and have them sign the front page and the pre-award certification.

Bring to Director to sign; she will give to clerical staff for processing

TIPS...

- The employer can invoice in tandem with their regular payroll or once a month.
- We do not reimburse for hours not worked (holidays, sick time, vacation, etc.).
- We can reimburse for overtime worked but only at the regular rate - not time and a half.
- Point out Randy Lampton's number on back on invoice - they can call him with invoicing questions.
- Let them know that once everything is processed we will send them a copy of everything.



Northeast Minnesota

Office of Job Training

◆ Your First Choice Service Provider ◆

ON-THE-JOB TRAINING POLICIES AND PROCEDURES MANUAL

A COMPREHENSIVE HANDBOOK
OF
ON-THE-JOB TRAINING (OJT)
DEVELOPMENT, MANAGEMENT,
AND OVERSIGHT POLICIES

Revised 06/201

**OJT POLICIES AND PROCEDURES MANUAL
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I. POLICIES

A. GENERAL DESCRIPTION OF OJT

In general, On-the-Job Training (OJT) means training given by an employer in the private sector, public sector, or private non-profit, to a participant who, after objective assessment and in accordance with an Individual Service Strategy (ISS)/Individual Employment Plan (IEP), has been referred to and hired by the employer. *Prior* to the start of the OJT, there must be an agreement with the employer to provide occupational training. OJT is intended to train participants in full-time jobs for which they can not normally receive training within a classroom setting due to the nature of the job functions. For work that requires close "hands-on" learning, OJT enables participants to progress to entry level performance during this period of reimbursement. Reimbursement to the employer is expected to cover extraordinary costs of training that include the cost of closer than normal supervision, above average material wastage, abnormal wear on tools, down time and loss of production. The participant is engaged in productive work which provides knowledge and skills essential to full and adequate job performance. The trainee is considered to be an employee, usually with an employer within the private sector, on a "hire-first and train-later" basis. The trainee receives wages and fringe benefits equal to those of regular employees who are similarly employed. The reimbursement is not a wage subsidy to the employer. It is simply reimbursement of the extraordinary costs of training incurred by the employer in preparing the employee for successful entry level employment. It is expected that the employee will be retained by the employer on a full-time basis after the reimbursement ends and that the employee will continue to perform and receive benefits similar to other employees functioning in that capacity.

An OJT activity does not preclude a participant who has been trained by one employer from ultimately being placed in a comparable, training-related position with another employer. OJT may be sequenced with or accompanied by other types of training such as classroom training or literacy training.

B. OCCUPATIONAL ELIGIBILITY

OJT jobs are expected to be those that have good earning potential and prospects for career advancement. OJT is encouraged in higher skill occupations appropriate to the participant's needs and occupational interests as expressed in the up-to-date ISS and case notes. Dead-end jobs and those requiring only minimal training are not intended to be used for OJT. If participants are placed in these jobs, it should normally be done without using OJT. Jobs that have licensing requirements, or demand credentials or have very high skill levels or long periods of training usually are not appropriate for On-the-Job Training.

OJT is not intended to train employees for upgrading into more responsible positions within a business. This training and its associated costs are expected to be borne by the employers. OJT is not intended to prepare laid-off workers for re-employment in the same occupation. Training of former employees and those planning to enter former occupations should be considered only after periods of significant separation that clearly indicates that they are no longer associated with the former employer or the occupation. The training provided in those instances should cover only those job functions that are significantly different and require new skills.

Employment and employee leasing agencies that meet the other requirements may be eligible for OJT when the agreement specifies the source of training and specifies that payments are for the extraordinary training costs of the training entity. The term "employment and employee leasing agencies" means an employer that provides regular on-going employment (not probationary, temporary, or intermittent employment) in a specific occupation and, for a fee, places employees at the work site of another employer to perform the work for such employer.

C. OJT TRAINING LENGTH

An OJT contract for a participant must be limited to a period not to exceed the time generally required for acquiring the skills and knowledge for the position within a particular occupation. **IN NO CASE, HOWEVER, CAN OJT REIMBURSEMENT EXCEED THE LATER OF 6 MONTHS, INCLUDING TIME SPENT IN RELATED CLASSROOM TRAINING DURING WHICH WAGES ARE PAID BY THE EMPLOYER.** In determining the period "generally required for the acquiring of skills and knowledge for the position within a particular occupation," consideration must be given to recognized reference materials, including, but NOT LIMITED TO, the Department of Labor's **Standard Occupational Codes (SOC)**, Standard Vocational Profile (SVP), employer training plans and content, and the participant's education, prior work experience and the Individual Service Strategy (ISS). When the OJT period differs from the average it is to be noted in the ISS. The six month period may be expressed as a number of hours, days, or weeks the participant is expected to work.

The length of the OJT period is based upon Standard Vocational Profile (SVP) levels for each occupation listed on the US Department of Labor's O*NET website (<http://online.onetcenter.org>). The SVP level is the basis for determining the maximum number of Federally reimbursable hours of training for an occupation.

The procedure for determining the actual duration of reimbursable training includes the following steps:

1. Job description of the OJT occupation is determined from the identification of duties provided by the employer.
2. Locate the title of the occupation on the US Department of Labor's O*NET website and identify the occupation's eight digit SOC; i.e. Machinist 51-4041.00
3. Using the eight digit SOC code, locate the SVP level under the 'Job Zone' section within the information for the occupation; i.e., 51-4041, SVP 6.0 < 7.0.
4. Locate the SVP level on the "Maximum Training Length per SVP for On-the-Job Training Contracts in Northeast WSA" chart. (See appendix 7)

The maximum training period per SVP level is established by the Northeast Minnesota Workforce Investment Board and is subject to change at any time. Any changes will be communicated in a revised policy statement.

5. Check the characteristics of the client to determine if the training period should be modified due to one of the following factors:
 - a. Client is currently enrolled in an Office of Job Training service and has been enrolled in an activity for the past consecutive 15-day period.
 - b. Client is currently receiving Public Assistance.
 - c. Client is a youth under age 22 with limited employment experience.
 - d. Client is an eligible dislocated worker as determined under the Workforce Investment Act and Minnesota Statutes.

If the client meets either of the two criteria below, the maximum training period must be reduced by 50% or more. If the training has resulted in a license, certificate, or other skills qualification documentation, further training on-the-job may not be appropriate.

- e. Client has had previous limited employment experience in the OJT occupation prior to the start of the proposed OJT contract. If the previous experience has been substantial, the OJT activity is inappropriate.
- f. Client has had previous occupational skills training in the OJT occupation prior to the start of the proposed OJT contract.

When a contract is negotiated and written, it must be for a designated number or total number of hours of training per week and the contract must identify the total number of weeks of training.

The **minimum** training period is a total of 120 hours (three weeks) for those qualifying as: Dislocated workers eligible under WIA and/or Minnesota Statutes, current participants enrolled in an activity or service for at least 15 days, public assistance recipients, or youth under age 22 with limited employment experience. Those not qualifying are subject to a minimum training period of 200 hours or five weeks.

On-the-Job Training Contracts may be written for less than full time for older workers, handicapped, and youth. The intent is to write contracts that benefit the trainee. In order to carry out this intent, less than full time OJT Contracts may be written for older workers and handicapped if they are directly involved or enrolled in a service. These contracts must be at least half time, approximately 20 hours per week. It is also the intent to encourage full time, permanent employment after training with that employer. Youth in-school OJT Contracts may be written for as little as ten hours or less, depending upon their class schedules.

OJT Contracts will be written, in some cases, for reduced maximum training length. All eligible clients except: 1) those currently enrolled in a service for at least 15 days; 2) those who are currently receiving public assistance; 3) youth under age 22 with limited work experience or subsidized employment experience; or 4) a dislocated worker eligible under

WIA and/or Minnesota Statutes will be provided OJT with maximum training lengths according to the hours and weeks shown in column A of the attached chart - maximum training length per SVP for on-the-job training (OJT) contracts in Northeast WSA.

Youth enrolled in an in-school employment program shall be subject to minimum training lengths of 120 hours to accommodate school year schedules.

HOURS WORKED PER WEEK

The objective of OJT is for full-time training which is established at 32 hours or more per week. If a situation arises in which an employer does not provide the number of hours of work as stated in the contract, the reason for the reduced hours per week should be immediately identified. If the employer's actions are not justified, the contract should be terminated and the employer reimbursed for the hours of training provided. If the employer can justify why work hours are or were reduced, i.e. equipment breakdown, lack of business, etc., and if the employer expects to increase participation hours in the very near future to comply with the contract, the agency is authorized to maintain the training agreement with the employer. Common sense should determine whether or not the trainee will benefit from the contract agreement.

D. PAYMENT/REIMBURSEMENTS

As indicated earlier, payment is intended to reimburse employers for the extraordinary costs of training; it is *not* intended to be subsidy or to provide money for economic development. Although covering extraordinary costs of training, payment is calculated on a percent of the wages paid, up to 50%, for the number of hours worked. It is understood that training occurs during these hours of work and reimbursement does not include hours of non-work such as paid holidays, vacation, sick days, time spent on jury duty, etc. OJT payments to employers may be based upon scheduled raises or regular pay increases. Usually overtime work and jobs that pay on the basis of commissions, incentives, or piece-rate are not appropriate for OJT. Jobs that pay on a commission basis usually are positions that require the incumbent to function in an independent manner in which there would be little or no opportunity for training other than that normally provided to all employees. Work performed in an overtime capacity usually is not included because, presumably, the primary or exclusive purpose of overtime is to make up production shortages and training would not be expected to occur. Piece rate production assumes that the worker has met the standards of production and that training to produce goods of sufficient quality is not needed. Employers are NOT required to maintain separate records to document the extraordinary costs actually incurred.

E. TRAINING OUTLINE & INDIVIDUAL SERVICE STRATEGY (ISS) / INDIVIDUAL EMPLOYMENT PLAN (IEP)

As indicated above, the length of training must be related to an accurate assessment of the job difficulty and the trainee's current skill level. In order to assess the level of difficulty, a training outline must be prepared from the job description to determine the needed skills. If the job requires the employee to repair machinery, it should be determined what kinds of tools must be used successfully, the degree of precision needed to use the tools, the skills needed to diagnose problems, the experience needed to successfully disassemble and reassemble parts, etc. Training times will be estimated through discussions with those who

are knowledgeable in the field and who will be responsible for conducting the training. This information is to be used to design the training outline which will become the work statement of the training contract and followed as a guide when delivering the training. The O*NET/SOC code and the Standard Vocational Profile can be useful tools in determining the length of training but should not be relied upon exclusively at the risk of overlooking the needs, skills, and abilities of the participant. Information concerning participant needs obtained from the initial assessment is also to be used to establish the length of training for each skill level. The training outline becomes the tool for determining that services contracted for are delivered. Once the skills have been identified and a method for measuring them has been established, progress can be determined. This provides a clear understanding to the employer, trainee and OJT development agency of the success of the training that is being provided. (See appendixes 2, 6, and 10)

The development of a successful training outline depends on the ability to analyze job duties in terms of the skills required to perform specific functions. Certain basic skills such as reading comprehension and the ability to perform mathematics may be prerequisites required prior to the assignment. The ability to read precision instruments, analyze blue prints, assemble mechanical parts, etc., may be those skills that can only be learned on the job through trial and error under the instruction of an experienced practitioner. Identification of these skills, close supervision and careful measurement of progress ensure that job skills are communicated satisfactorily. The training outline is the planning tool that enables successful training to occur.

The ISS/IEP development for each OJT participant must document how the training length was determined and must include a justification in each case where the length of the training exceeds that provided for in a recognized reference material. The ISS must reference the Training Outline where appropriate.

F. OJT CONTRACT PROVISIONS

1. All OJT Contracts entered into between the Office of Job Training or its agent and an employer must include a provision stating that all costs contained in the contract represent only those costs which are over and above the normal training, recruitment and supportive service expenses of the employer. The types of extraordinary expenses for which the employer will be reimbursed, i.e., increased material wastage and additional supervisory effort, must be specified in the contract and the method used to determine costs should be exhibited. (See appendix 1 & 2)
2. Each OJT contract with an employer must, at a minimum, specify: a) the occupation for which training is to be provided; b) the number of participants to be trained; c) participant wage rates; d) the method and maximum amount of reimbursement; e) job descriptions and a training outline including training hours by skill areas or tasks; and f) any separate classroom training that may be provided. (See appendix 1 & 2)

With regard to reimbursement, a formula using a straight percentage or a portion of the trainee's wage should only be used to compensate the employer's expense of providing training to the employee while on the job. The expense of providing ancillary training which is given away from the work

station and the expense of supportive services should be calculated and shown separately.

With regard to job descriptions and training outlines, contracts must include descriptions of the nature, duration and source of training. The descriptions must be sufficiently specific to permit verification that training was provided in accordance with the contract. Additionally, the contract must specify the exact skills to be learned by the trainee on the job and the length of time necessary to learn each skill. (See appendix 10)

3. Contracts are to be guided by appropriate policy assurances and certifications that cover, at a minimum, the following topics:

- compensation for the participant at the same rates, including periodic increases, as trainees or employees who are similarly situated in similar occupations by the same employer and who have similar training, experience, and skills. Such rates may not be less than the highest of the federal or State minimum wage;
- maintenance, retention, and access to records by WSA, State, and Department of Labor personnel to support the training activity and associated reimbursements, i.e. time and attendance records, payroll records, invoice and reimbursement documents, and other information necessary to respond to monitoring reviews or audits;
- prohibition on the use or proposed use of WIA funds as an inducement to a business or part of a business to relocate if the relocation results in any employee losing his/her job at the original location;
- prohibition on the use or proposed use of WIA training funds on any business or part of a business that has relocated from any location in the U.S., until the company has operated at the new location for 120 days, if the relocation resulted in any employee losing his/her job at the previous location;
- prohibition on displacement;
- prohibition on impairment of existing contracts;
- prohibition on payment of wages to incumbent employees using WIA funds;
- provision of benefits and working conditions at the same level and extent as other employees of similar longevity and doing the same type of work;
- health and safety standards under federal and State law equally applicable to OJT participants;
- provision of workers compensation;
- non-discrimination and prohibition against sectarian activities;
- prohibition on use of funds to assist, promote, or deter union organizing;
- prohibition against political activity and lobbying;
- provision for union concurrence;
- prohibition on the use of funds for construction except for provision of reasonable accessibility and accommodation;
- prohibition on the use of WIA Title I funds for foreign travel;

- Minnesota Data Privacy Act;
- Minnesota Right-to-Know Act;
- Americans with Disabilities Act;
- modification conditions and requirements;
- contract termination conditions; and
- expenses and activities prohibited under any other Federal, State, or local law or regulation.

G. ELIGIBLE PARTICIPANTS

Only those individuals who meet the eligibility requirements for intensive services, who have received an assessment and for whom an Individual Service Strategy (ISS)/ Individual Employment Plan (IEP), have been developed may be considered for an OJT. An individual referred to the WorkForce Center by an employer may be considered for OJT with the employer only after the individual has met eligibility requirements for intensive services, has received an assessment and an ISS/IEP has been developed.

The IEP must document how the length of an OJT contract was determined. The IEP must also include a justification for a length of time exceeding what may be considered an appropriate training time based on consideration of reference materials, skills, education, and prior work experience.

OJT contracts may be written for eligible employed workers when:

- The employed individual is not earning a self-sufficient wage as determined by the Local Board;
- The reimbursement to the employer does not exceed 50 % of the wage rate;
- The contract is not with an employer who fails to provide OJT participants with long-term employment at wages and benefits comparable to those of non-OJT employees. OJT employers who fail to retain OJT participants must provide a satisfactory explanation (tardiness, absenteeism, etc.)
- The contract specifies a training time period required for the participant or employee to gain proficiency in the occupation for which the training is being provided; and,
- The OJT relates to the introduction of new technologies, new products or service procedures, upgrading to new jobs that require new skills, workplace literacy, or other purposes identified by the Local Board.

H. ELIGIBLE EMPLOYERS

The primary focus of the OJT program is to assist the hired worker in gaining significantly new employment skills through direct sponsored company based training which provides permanent on-going employment (not probationary, temporary, or intermittent) in a specific occupation. In addition, the program is not intended to place employees at the work sites of another employer to perform work for said employer. Any other form of educational training must be identified and full documentation must be provided for any possible funding consideration. To accomplish this goal the Office of Job Training must ensure that the agreement meets all of the criteria listed below, before the OJT contract can be fully considered:

1. wages, benefits, and working conditions must be equal to those provided to other regular employees doing the same work;
2. WSA must be assured that an employed worker was not intentionally hired at a wage less than self-sufficiency for the purpose of securing an OJT contract;
3. the new employee has not previously worked for the employer or employer's agent;
4. employer must have current and valid IRS and MN Identification numbers and the business entity should be listed with the Minnesota Secretary of State (no listing with the State should be explained). Governmental or Non-Profit status employers must have proper identification documentation;
5. temporary employment or employee leasing agencies may be eligible for OJT contracts unless they meet the requirements as stated above and they provide permanent on-going employment;
6. the Grantor retains the right to verify and validate the information provided on the On-The-Job Training Agreement by the employer: prior to full funding consideration; during agreement (if approved) and after the agreement has been concluded to comply with WIA Based Statutes.

I. BROKERED OJT

Each agreement with an OJT employer that is written by a brokering contractor shall specify the services to be provided by the broker contractor, the employer and other agencies and subcontractors.

J. APPROPRIATENESS OF OJT TRAINING

The Office of Job Training reserves the right to determine the appropriateness of any OJT contract. Several factors will be considered, including, but not limited to: previous training and/or experience of trainee, nature of the occupation in which training will occur, and other information which may be related to the training opportunity. However, the service provider is expected to exercise good judgment in preparing contacts so the Office of Job Training staff is not burdened with excessive time involvement.

K. PUBLIC SECTOR SITES

This is to provide policy regarding the development of OJT Contracts in the public sector. The following general principles should apply:

1. Contract writing in the public sector is to be limited to 22.7% of the amount of money spent by staff during the current Program Year.
2. Employing agencies will receive no more than 50% reimbursement for training costs.

L. WIA FUNDING OBLIGATIONS

The following policy is applicable to all contracts from the Northeast Minnesota Office of Job Training. All On-the-Job Training Contracts and/or client training obligations negotiated into shall be covered under this policy statement.

The policy on the funding for On-the-Job Training Contracts will allow for the funding of a contract only within a current program year. On-the-Job Training Contracts should not be entered into for any period beyond any program year. Contracts written near the end of the program year will, in some cases, have to be negotiated and written for less hours than the maximum allowed through the O*NET/SOC/SVP code system.

Only new OJT Contracts will be approved for funding, which will be contingent upon the availability of funds. Necessary steps should be taken to assure that the client is afforded time to complete his/her training time and that employers are advised of the maximum training time allotted under the contract.

The On-the-Job Training Contract Specialist Staff and Training Counselors should be apprized of this policy statement to assure that the OJT Contracts are negotiated and written through the applicable grant date.

M. NEPOTISM

The nepotism clause which is incorporated into the OJT agreement may be waived by the office with the submission of documented client need.

N. MODIFICATIONS

OJT contract modifications should be numbered sequentially. (See appendix 4)

O. STRIKES

No participant can be referred to, or placed in an OJT position affected by a labor dispute involving a work stoppage. No OJT participant can remain working in a training capacity in an affected position and no payments may be made to employers for the training and employment of such a participant during the period of the work stoppage. The OJT contract for such a participant is deemed to be temporarily suspended.

P. OJT MINIMUM WAGE

The minimum wage for all On-the-Job Training Contracts must have an entry level wage of at least \$8.00 per hour. This wage rate of \$8.00 per hour is applicable to all contracts.

The \$8.00 per hour wage requirement may be waived by the Executive Director upon receipt of a written request from the contractor and documentation for the circumstances to support the lower pay scale. **Also, the minimum wage requirement for Public Assistant recipients may be waved; contact the Executive Director.**

Q. PREVIOUS EMPLOYMENT AND/OR TRAINING EXPERIENCE

OJT Contracts written for participants who have had previous limited employment experience or occupational skills training in the OJT occupation, must be written for 50% or less of the maximum training period allowed under the SOC/SVP code system.

Previous limited employment experience is defined as employment in the same or similar occupation as the OJT occupation, including OJT employment. If the previous experience is substantial, On-the-Job Training shall be inappropriate and no contract shall be approved. Previous occupational skills training is defined as institutional skill training in a specific occupation. Training which results in the passing of a board exam, license or other certificate may not be appropriate for On-the-Job Training.

II PROCEDURES

A. APPLICANT RECRUITMENT AND REFERRAL FOR ON-THE-JOB TRAINING ACTIVITY

The OJT applicant is first determined to be eligible for services and activities. The applicant is then identified under which target group population he/she is to be served. General economic conditions, labor force characteristics and occupational skill shortages are observed leading to definition of functional activities and their operational level. The identification of the OJT activity for each applicant is thereby carried out in keeping with the Office of Job Training Rules & Regulations pertaining to identification, recruitment, selection, and eligibility of applicants.

Applicants to be considered for the OJT Program must be eligible individuals who can be referred to a specific job opening when it becomes available. These individuals may include participants receiving public assistance, new applicants, current participants enrolled in other programs for at least 15 days, participants having limited or no previous employment or classroom training in OJT occupation or related field, currently under employed individuals who are eligible, and dislocated workers.

The Office of Job Training and its contractors will assess each individual's career options including basic skills, vocational interest and aptitudes, determination of pre-employment services, and promotion of the use of case management techniques for those in long term training programs. Using this method, a linkage can be determined between the OJT occupation and the characteristics of the participant and job openings.

Applicants with previous experience or classroom training in the OJT occupation or related field can be referred to an employer, subject to certain limitations. If the previous experience or classroom training has been limited and acquired within two years prior to the start of the OJT, the length of the training period must be reduced by 50% of the maximum training length allowed as determined by the Standard Vocational Profile (SVP) code for the OJT occupation identified on the US Dept of Labor's O*NET website (<http://online.onetcenter.org>). **If previous experience or training has been substantial, the OJT activity is inappropriate and no contract shall be approved.**

If the OJT applicant is a previous employee of the same firm, the OJT contract may be written *only if the job duties are substantially different* from the applicant's previous job with that firm and can be determined eligible.

If the OJT applicant is currently employed, a referral will be made only if the individual is determined to be eligible. The length of the training period is subject to limitations defined by OJT policy.

The referral of individuals requested by an employer for an OJT is allowable, but subject to limitations. The individual must have been enrolled in a service for a minimum of fifteen (15) days preceding the OJT start date, be determined OJT eligible, and then considered with the other eligible applicants/participants for referral to the employer. The individual will be assessed according to which target group population he or she is to be served, as well as the functional activities and level of operation.

If the individual is classified as: 1) enrolled in a service for at least 15 days; or 2) enrolled and receiving public assistance; or 3) is a youth under 22 years who has had only limited

work experience; or 4) is a dislocated worker eligible; he/she will be considered for an OJT contract up to the maximum training length period. However, if this individual is not classified in at least one of the above five (5) target population groups, the training length will automatically be reduced by approximately 20%. The training length may be further reduced subject to certain other limitations such as prior experience or training in the OJT occupation or related field.

B. EMPLOYER-RECRUITMENT FOR THE ON-THE-JOB TRAINING PROGRAM

The Office of Job Training and its subcontractors recognize the need for a closely coordinated approach to employer contracts. With a decreasing number of employers and smaller area work force, increasing competition for available jobs has made duplicated employer contact commonplace. The Office of Job Training will attempt to reduce unnecessary duplication of services to employers, promote the sharing of appropriate information, and maximize utilization of staff time and efforts:

1. The Job Service will assist in the recruitment of employers. Job Service staff will provide employers with information on Unemployment Insurance, local applicant availability, hiring incentives such as TAA, and other employment-related information in addition to general job solicitation.
2. The Office of Job Training (and its designated subcontractors) will act as a specific resource for employers in On-the-Job Training of eligible individuals. The Office of Job Training will offer services and incentives depending on fund availability to employers requiring specific training situations.
3. Subcontractors will serve as applicant recruitment resources and will refer applicants through the Office of Job Training for specific program eligibility determination.

The intent of this approach is to avoid repeated and duplicated contacts with area employers. By coordinating and sharing employer information, the WSA and its subcontractors will be able to market their programs and at the same time provide employers with applicants and incentives most suited to that employer's needs.

Employers selected for OJT contracting must exhibit certain characteristics or agree to certain conditions, provisions and general assurances. The objective is to provide the highest quality of training possible which will benefit the participant with the limited amount of funds available. Representatives and specialists from the Office of Job Training and its subcontractors consider many factors when contacting employers for OJT contract writing.

One characteristic to be emphasized is the quality of match when the OJT position is well matched to the participant's occupational interests, required working conditions, and financial needs. Assessment of OJT applicant's occupational interests and abilities should be carried out to help determine feasible occupations. Attention to required working conditions such as accommodation to applicant disabilities or restrictions in appropriate working hours, (i.e. because of young children at home) should be discussed with the employer. The OJT representative should observe the relationship between the OJT wage and the applicant's previous wage or public assistance levels to determine if the OJT job would be appropriate financially.

Another factor which determines the eventual quality of the OJT experience is whether or not the applicant could have gotten the job on his or her own without OJT. OJT representatives should also be aware that employers refer individuals they want to hire to the program to see if they are eligible for a benefit.

Another characteristic of quality training is the caliber of instruction. Representatives should try to determine the following types of information about the trainer: 1) Are the job descriptions clear, focusing on training in skills? 2) In multiple-skill tasks, are the skills taught in logical sequence? 3) Will the method of training include instruction by an expert who can demonstrate job tasks and work with the participant until skills are mastered? 4) Will the skills be transferable to other jobs and/or employers? 5) Is there in fact extraordinary training involved?

All employers must agree to certain training conditions, general provisions, and general assurances before a contract is approved. These are contained in the language of the On-the-Job Training Agreement.

C. OJT CONTRACT DEVELOPMENT

The WSA will comply with the Workforce Investment Act regarding non-discrimination and prohibition against sectarian activities by assuring that no participant will be enrolled in On-the-Job Training with an employer who is involved in the construction, operation, or maintenance of any facility that is used or to be used for sectarian instruction or as a place for religious worship.

OJT Contracts may be written with the same employer again if the employer has a good track record for providing quality and meaningful OJT experience for participants. The actual number of contracts that can be written with any one employer is subject to the amount of funds available and the discretion of the WIB and LEO Board.

The approval of OJT Contracts with organizations represented on the WorkForce Investment Board (WIB) is recognized by the WIB and the Local Elected Official (LEO) Board as a matter of concern. In order to avoid the possibility of improper and unfair advantage on behalf of the WIB member/organization, all such proposed contracts must have prior approval by the Executive Director in consultation with the other governing board.

D. TERMINATION OF OJT CONTRACTS

OJT Contracts may be terminated if an employer fails to comply with the training conditions, general provisions, and general assurances as stated on the OJT Agreement. OJT Contracts may also be terminated at the discretion of the Executive Director if determined to be inappropriate. (See item 4 under Grantor/Assurances located on back of OJT Agreement, Page 2, Training outline, Appendix 2.)

E. CONTRACT PROCEDURES/GUIDELINES

All procedures established and in force must be implemented to alleviate potential

questioned or disallowed costs in the OJT Program.

Specifically, established procedures must be performed prior to the start date of the contract, during the duration, at the time of final invoice, and at closeout of the contract. These procedures must be faithfully practiced without exception. Of crucial importance to effective OJT contract writing are the following contract elements.

1. No trainee can start work prior to the start date of the contract.
2. If trainee is or had been formally employed by the contractor prior to the start date of the contract, evidence to that effect must be identified on the client application.
3. An ISS must be executed and a copy retained on file.
4. The job title, job description and training outline should remain constant during the life of the contract. However, any modifications to the contract, which may include these elements, must be clearly described on a written modification to the contract and signed by both parties in agreement to the contract.
5. The final invoice should not be paid until all costs have been clearly documented and verified by both parties to the agreement, (signatory declaration statements on the OJT invoice forms.) The Contract Specialist must complete an on sight review of the employer payroll records prior to the final invoice payment to assure correct billings. Any discrepancy or contract violations identified at this time must be reconciled immediately.
6. In situations where it is known that an OJT contracting employer intends to discontinue or has discontinued business, OJT staff must immediately obtain copies of pertinent payroll records for wage payments made to OJT trainees. Employers must be advised at this time that their original payroll records must still be available for audit for a five year period.
7. Multiple contracts with the same employer are to be approved/disapproved based upon the retainment of the previous worker under OJT. In cases where an employee is terminated at the end of the contract or shortly thereafter, no further contracting is allowed. The approval of additional contracts should take into consideration the success and performance of the contractor in providing quality training to the trainee.

The contractor is responsible for monitoring the OJT Contracts and determining quality training situations which can be effectively duplicated.

8. The amount of the OJT contract may not be changed after the contract has been negotiated, signed, and implemented. This policy is established to avoid modifications relating to pay raises during the contract period. However, contracts may be modified based on specific changes in the training outline as identified and well documented by the employer. Changes may be for reductions or additions in the training activity as long as the

- quality of the training experience is maintained.
9. In order to assure compliance with WIA law which states: "No funds may be used to assist in relocating establishments, or parts thereof, from one area to another unless such relocation will not result in an increase in unemployment in the areas of original location or in any other area", the following policy is established?
 - a. The contractor shall inform the WSA Director of any contract development in which the company has business in areas other than the new business development being proposed.
 - b. The Administrative Staff shall investigate the company to determine compliance. The investigation shall include contract with the State Job Service, the local union (if applicable), and with the company representatives. In addition, the WSA will contact a local economic development authority to determine the employer and employee status in the area.
 - c. The WSA shall notify its contractor if situations arise which indicate possible non-compliance.
 - d. A standardized pre-award review shall be completed and documented jointly by the WSA or sub-state grantee with the establishment as a pre-requisite to assistance to verify that an establishment which is new or expanding is not, in fact, relocating employment from another area. (See "Pre-Award Review For Relocating Establishments" in appendix 8)
 10. All OJT Contracts are required to be reviewed, authorized, and signed by the Office of Job Training Executive Director. Only those contracts which have followed this procedure shall be allowed to incur costs.
 11. At the time any contract is executed, a copy of the contract and the client application must be submitted to the main office immediately. Modifications to contracts and the executed final invoices must be submitted to this office at the time of execution.

F. FINAL OJT INVOICES

While initial and interim OJT invoices may be received and paid by contractors/Office of Job Training, only the final OJT invoice should be forwarded to the Office of Job Training.

So that all OJT contractors' files maintained at the Office of Job Training contain the documentation requested, the following documents should be forwarded to this office:

The executed OJT contract
OJT contract modifications
Trainee's application and status change, if applicable
Final invoice

Trainee's payroll record

A copy of the trainee's payroll record should be attached to the final invoice when submitted to the Office of Job Training. Contractors may use the Final Audit Program Worksheet, a close facsimile, or the employer's payroll records if equivalent. (See Appendix 5)

The final invoice should be completed in its entirety. If the final invoice is the only invoice submitted, then "Hours Completed to Date" would be the same as column "Total Hours Contracted" and "OJT Contracted Amount" would be equal to "Amount Claimed this Period" and "Amount Paid to Date." The final invoice should be numbered (i.e., if the final invoice is the only one received, it would be numbered one). The amount in "Hours Completed to Date" should reflect the amount claimed/earned by the employer. Reference could be made to the employer's signed statement above his/her signature. Less payments received to date should reflect the amount the agency has reimbursed the employer prior to the final invoice. (See appendix 3, attached copy of invoice) At no time should any amounts in this column equal the amount earned by the trainee.

G. SOC AND SVP CODES

OJT Contracts should include the O*NET, SOC, and SVP codes. In cases where two occupations are identified on the contract, the total length of training on the contract cannot exceed the maximum hours allowed for the occupation in which the majority of training is conducted as identified in the training outline/job description.

Please reference the attached example. There are two occupations listed for one trainee. In order for one to determine in which occupation the majority of training will be conducted, the number of training hours should be indicated across from each occupation listed; i.e.;

	<u>Hrs Per Wk</u>	<u>Weeks</u>	<u>Total Hours</u>
Dental Assistant 31.9091.00 SVP 4.0 < 6.0	30	18	540
Receptionist 43.4171.00 SVP 4.0 < 6.0	10	18	<u>180</u> 720

As the majority of the training time will be spent in the SVP 6 occupation, the total training hours cannot exceed 720. However, had the reverse been the case, the majority of the training time would be spent in the SVP 5 occupation, then the total training hours could not exceed 600 training hours.

H. PROGRAM MONITORING

1. The Northeast Minnesota Office of Job Training monitoring system is designed to ensure that OJT Contracts are developed and written in compliance with established Policies and Procedures of State and Federal Rules and Regulations. This system also assures that OJT contractors/employers are abiding by the terms and general provisions of the OJT

contract.

A comprehensive review process is necessary to ensure that expenditures are within the guidelines established by federal, state, and local authorities. In addition to the internal WSA monitoring, the Office of Job Training also recognizes that compliance reviews will be performed by the State and Federal agencies. Accordingly, the Office of Job Training will cooperate fully and assist these agencies in these reviews.

2. Description of Monitoring Activities

The Office of Job Training monitoring program consists of three levels of review: Desk Review; Field Monitoring; Compliance Review. Each is described below:

- a. The first level of review consists of the preparation of the OJT file check-off list and determines if the contract is complete and written in accordance with the Office of Job Training policies and procedures. This review is conducted after the contract is signed and the trainee is working at the site. This review involves the Executive Director. Topics covered at this level includes trainee's physical presence at the site, actual start date, trainee referral status, job title, job duties, and prior employment with employer. (see Appendix 12)
- b. The second level of review is a field visit to the OJT work site. The purpose of this monitoring is to verify the proper performance of the contractor/employer under the contract and to determine if the trainee is having any difficulty performing his or her duties or is in need of supportive services. The timing of the visit must be within the contract period so that if problems exist, corrective action may be taken to make the OJT program a success.

The visit includes contact with the trainee and the employer/trainer. As an aid, the form "OJT Individualized Outline" may be used to determine the accuracy of the Training Outline and the training actually received. The intent of the visit is to make the contractor/employer feel comfortable with the OJT program and communicate with the OJT contract specialist about available assistance. (see Appendix 13)

This visit will allow the contract specialist to observe absence of forms needed by the contractor. Sometimes copies of the OJT Contracts may not have been received. Invoices may elicit questions on how to fill out proper information requested. Details about how the reimbursement process works and the need for payroll documentation may be discussed at this time. This visit is conducted on an informal basis.

- c. The third level of review is the OJT Compliance Review. It is

the intent of this action to determine if the Contractor/Employer has abided by the terms and general provisions of the contract. The timing of this review is after the contract is completed and before the compliance review by State or Federal Agencies.

The content of this action involves inspection of the OJT file folder. All required forms must be physically present and in order. Items to be incorporated in this review are: completed invoices with payroll documentation, termination completion, and, if necessary, modification, and supportive service documentation. Any corrective action must be brought to the attention of the OJT Manager or contract specialist.

3. Staff Assigned

Several individuals will participate in the Office of Job Training program monitoring. They are:

- a. The OJT Manager (Executive Director) will perform the initial review of OJT Contracts developed by subcontractor/service providers which takes place after the contract is finalized and submitted to the WSA.
- b. The OJT Contract Specialist will be responsible for the preparation of OJT Contracts initiated and prepared by the Office of Job Training staff.
- c. The Program Monitor will perform the formal OJT compliance review. This person will be independent from contract preparation activities to eliminate or minimize the possibility of conflicts of interest.

4. Monitoring Reports

Upon completion of the OJT Compliance Review, the Program Monitor will file the original report in the contract file. One copy will be retained by the Program Monitor and one copy will be forwarded to the OJT Manager.

The Program Monitor will meet with the OJT Manager to review the findings and recommendations contained in the report. Corrective action will be implemented by the appropriate staff involved.

I. PROCEDURES FOR PROCESSING OJT CONTRACT

1. Selecting an Employer

- a. Will the job result in the trainee having a marketable skill that will be beneficial now and in the future? Would such skills be transferable to another job? Is the training "apprenticeable"?

- b. Is the job a good opportunity for a disadvantaged person, i.e. a job for which said person would not normally have access?
- c. Does the employer have the necessary facilities, staff, and equipment to provide quality training?
- d. Does the employer understand the purpose and philosophy of OJT programs and is the employer willing to participate in accordance with the Office of Job Training policies, rules, and regulations?
- e. Does the employer have a good business reputation and stability in the community? Does the employer intend to provide continuous employment beyond the contract training period? Is there a low employee turnover rate in the company?
- f. Does the job provide an opportunity for advancement within the firm or industry?
- g. Will the job provide an adequate income with good fringe benefits for the trainee?
- h. Is there reason to believe that the trainee will find personal satisfaction in the job? Will the working conditions be acceptable and conducive to the development of enrichment of the trainee's self-image? Will the trainee enjoy learning the tasks and job duties and find a sense of accomplishment through his or her efforts?

2. Employer Contact Procedures

- a. The desired qualities of an OJT Contract Specialist are:
 - (1) knowledgeable of the business community
 - (2) informed and sensitive to needs of applicants and employers
 - (3) knowledgeable of the appropriate OJT rules, regulations, and contract preparation procedures.
- b. Telephone contacts must be made with the head of the firm.
- c. Personal visit contents:
 - (1) overview of OJT Program
 - (2) general assessment of type of referrals to be made for consideration of training
 - (3) solicit a commitment from employer to:
 - (a) be involved in design and operation of training program
 - (b) retain individuals who successfully complete training

- (c) discuss OJT contract with union business agent (or steward)
- (4) keep actual explanation of OJT brief and to the point
 - (a) length of training
 - (b) amount of training costs
 - (c) hiring and firing conditions
 - (d) rules and regulations that apply to both employer and trainee
 - (e) availability and value of supportive services
- (5) obtain job descriptions
- (6) discuss training outline contents
- (7) determine wage to be paid
- (8) determine fringe benefits
- (9) identify trainer
- (10) determine workers compensation or alternative disability insurance source

3. Preparation of Contract (see Appendices 1 and 2)

- a. OJT Contract Specialist obtains information from employer regarding training occupation, job description, wage, fringe benefits, worker's compensation insurance coverage, IRS and state identification number, etc.

4. Recruitment of Candidates

- a. Determine eligible candidates who qualify for the training and refer to Northeast Minnesota Office of Job Training registrants
- b. Refer eligible candidates to employer for consideration
 - (1) perform assessment on eligible applicants selected by employer for OJT training
 - (2) prepare training outline for each trainee emphasizing training in area of specific need
 - (3) complete the training agreement including such details as contract starting and ending dates, trainee identification, job-related education required, training hour's status and signatures of Contractor and Grantor
- c. Determine if employer recruited candidates are eligible. (See section I.G "Eligible Participants")
 - (1) perform intake on candidates for eligibility
 - (2) perform assessment on eligible applicants
 - (a) review candidate's self-assessment
 - (b) review candidate's resume'
 - (c) review employer's job description
 - (3) prepare training outline emphasizing training in areas of specific need
 - (4) complete training agreement for such details as contracted starting/ending dates, trainee identification, job related education required, training hours status, signatures of Contractor and Grantor, and items

contained in Section I.3.a. above.

J. INTERNAL PROCESSING PROCEDURES/PAPER FLOW PROCESS

1. Folder/File preparation

a. Basic label information should include:

- (1) Contract No. The contract # will be composed of the grant # followed by a number indicating the number of consecutive contracts written within the grant period, ie. 037-01, meaning the first contract written under 2A (037). The folder will be filed separately from participant files in the order of the contract #.
- (2) Company name. File folder will be filed by grant code and name of company as described above.
- (3) Participant name. Name must be shown below the company name to avoid being filed alphabetically by participant name.

b. Fiscal Audit Worksheet and Procedures Check-Off List

The Desk Top Audit Worksheet and the OJT Procedures Check-Off List should be stapled to the inside first page of the file folder. (see Appendices 11 & 12)

c. File Separator

Insert a file separator inside the original file folder for the purpose of separating file into 3 sections:

- (1) First section should include the OJT Contract, Job description, Certifications/Assurances, Monitoring Reports
- (2) Center section should include the application and relevant enrollment paperwork, Status Change Forms, ISS, Resume', and any correspondence
- (3) Last section should include any Request/Reimbursement Forms, OJT Invoices, etc.

2. Data Entry

Participant is enrolled by entering data from the Application and the Status Change Form

3. Contract & File Review & Signature by Grantor (Executive Director)

Contract and notification letters to participant and employer are attached to file, tagged in appropriate areas for signature, and forwarded to Executive Director for review and signature

4. Information and letters sent to participant and employer

a. To participant

- (1) Letter acknowledging participation in OJT (make copy for file)

- (2) Copy of OJT Contract
- (3) Copy of ISS

b. To Employer

- (1) Letter acknowledging participation in OJT (make copy for file)
- (2) Pink copy of OJT Contract
- (3) Invoices (six)

5. Fiscal Management

File is routed to Fiscal Department processing

a. Invoices

- (1) Interim-route to Fiscal Department
 - (a) Check for documentation of payroll records when invoice arrives from employer. Contact employer and obtain copy of payroll record, ie. computer printout, photo copy of payroll journal page, etc.
 - (b) Copy of invoice and payroll document to be filed in OJT folder.
- (2) Final-route to Fiscal Department
 - (a) Fiscal staff processes final invoice if contract is completed
 - (b) Route to originator of contract for termination data
 - (c) Route for entry of termination data into system

6. Reviews

a. First Review

Preliminary to the First Review by Executive Director, the contract must be signed by both the employer and grantor. The file at this stage consists of the application, resume, job description from the employer, contract and training outline, Pre-Award Certification, and Status Change Form. The participant must be hired and working at the OJT training site.

c. Second Review

If no further monitoring is necessary, file is routed to be formatted in order and checked for completion. If a problem exists with a contract, the problem is brought to the attention of the staff responsible for writing up the contract. Staff investigates and seeks a solution.

K. MODIFICATIONS

- 1. A modification is prepared when contract ends prematurely or is extended. It is prepared by originator of contract.
- 2. Essential ingredients of a modification:

*Modification No. - Enter a number identifying the number of modifications to the contract. Normally, there is only one modification if the contract ends prematurely. Occasionally, a contract is extended to reflect a situation where the employer temporarily shuts down and opens the business later. Very rarely, a contract is also extended due to a change in job duties which may result in an extended training period. (see Appendix 4)

*Effective date - Enter the date when the modification is effective. A typical example is when the contract ends prematurely due to the trainee quitting. The effective date is the last day of employment. For those situations where a contract must be extended, the effective date is the last day of the current contract period.

*Increased by \$, Decreased by \$, Unchanged - The majority of changes will be due to the training ending before the expiration of the contract. The amount to be decreased is the difference between the original contracted amount and the amount earned to date. Check the unchanged box if no dollar changes are necessary. If the change is initiated by the employer due to wage increase and/or additional job duties and a longer training period, enter the amount reflecting only the incremental change in the dollar amount of the contract. This amount when added to the original contract amount is then entered below at the end of the sentence starting with "In no event....."

*The above-numbered agreement is modified as follows: A short explanation should be entered here describing the basic reason for the modification. Examples include: participant did not complete maximum hours of training, employer went out of business, job duties were increased, etc.

*Occupation and SOC/SVP codes - This section is intended to show the new contract status. Data should be entered reflecting the new terms, hours and amounts. It replaces the data shown in the original or previous contract

Appendix 1, continued

CONTRACTOR/EMPLOYER ASSURANCES & CERTIFICATIONS

The Contractor/Employer assures that:

1. The contract will not result in the displacement of employed workers or impair existing contracts for services of collective bargaining agreements or result in the substitution of Federal funds in connection with work that would otherwise be performed.
2. Should this position be covered under a collective bargaining agreement, the written concurrence of the bargaining agent has been obtained.
3. No person shall be employed under this subgrant to replace a job, or to remain on a job affected by a labor dispute involving a work stoppage.
4. Funds received under this contract are necessary to train the person who would not have been hired without these funds.
5. It is not in violation of any state or federal labor laws or on any debarment or suspension list.
6. Participants will not be employed on the construction, operation, or maintenance of so much of any facility as is used or to be used for sectarian instruction or as a place for religious worship.
7. It shall not hire any individual with funds available under this contract who is an immediate family member of any person/persons serving in an administrative capacity for the Employer or acts as an immediate supervisor over that person hired. Immediate family is defined as wife, husband, son, daughter, mother, father, brother, sister, brother or sister-in-law, son or daughter-in-law, mother-in-law, father-in-law, aunt, uncle, niece, nephew, step-parent, or step child.
8. It will comply with the provisions of the Hatch Act which limits the political activity of employees.
9. The Contract will comply with the Employee Right-To-Know Act of 1983 by assuring that trainees are informed of and trained for any hazardous substances, harmful physical agents or infectious agents they may be exposed to, the health hazards of exposure and the right to refuse to work under imminent danger conditions.
10. The rate of pay shall be in accordance with the Equal Pay Act of 1963 and shall not be less than the applicable state or federal minimum wage law. The rate of pay shall also be at the prevailing wage rate for similar inexperienced workers in similar positions employed by the same employer, or the wage rate required by an applicable collection bargaining agreement, or the prevailing wage rate established by the Secretary of Labor in accordance with the Davis-Bacon Act.
11. Financial records will be retained for a period of three (3) years from date of final expenditure report, except:
 - a) In the case of non-expendable property (if any), the three years' retention period begins from the date of disposal of the property;
 - b) In the case of audit questions, records must be retained beyond the above periods until the audit question is resolved.
12. The books, financial and training records, documents, and accounting procedures and practices of the Contractor relevant to this contract shall be subject to examination by the Grantor and the legislative auditor or state auditor, pursuant to Minn. Stat. 168.06, subd.4.
13. The Grantor will be notified prior to termination of the employee covered under this agreement to allow program counselors the opportunity to settle the problem in an effort to retain the employee whenever possible. The employee will be retained by the Employer upon satisfactory completion of this agreement and has not terminated previous contracted employees without just cause.
14. It shall not discriminate against any employee or applicant for employment because of race, color, creed, religion, sex, national origin, disability, age, marital status, public assistance status, criminal record or place of residence, pursuant to Title VI of the Civil Rights Act of 1964 (P.L. 88-352)
15. It shall comply with the provision of Minnesota Statute 13.46 Subd. 10 (d) governing the data privacy of all data collected, received, maintained or disseminated under this agreement.
16. It will comply with all applicable business licensing, taxation, and insurance requirements.
17. It will comply with all applicable state and federal laws, current regulations, policies, procedures and implementation instructions issued thereunder.
18. Funds received under this contract will not be used to assist in relocating all or any part of the Employer's establishment.
19. It will comply with the Occupational Safety and Health Act (P.L. 91-596), and the Minnesota Occupational Safety and Health act of 1973 as amended.
20. It assures and certifies that it will not enter into any other contract or agreement which provides a financial payment for training or wage subsidation to the employer for the same person identified on this contract.

Appendix 2

Northeast Minnesota Office of Job Training
On-the-Job Training Agreement - Page 2

Contract # _____
Occupation _____
SOC _____
SVP _____

Name of Trainee

Name of Contractor/Employer

Job Description:

TRAINING OUTLINE

Skill Level I: Employee will learn to:

Performance Measurement:

Trainer's Name _____

Hours _____

Skill Level II: Advanced Skills: Employee will learn these advanced skills:

Performance Measurement:

Trainer's Name _____

Hours _____

Skill Level III: Employee has mastered previous skills and will also learn:

Performance Measurement:

Trainer's Name _____

Hours _____

Total Hours _____

Appendix 2, continued

GRANTOR/WSA ASSURANCES

The Grantor/WSA Agrees to:

1. Reimburse the Contractor only for the hours of training time completed on any contract that is terminated prior to the agreed upon completion date.
2. Reserve the right to review all records necessary to validate the provisions of training as stated herein.
3. Provide the Contractor with an invoice procedure and assure that reimbursement will be made for training accepted and approved by the Grantor within thirty (30) days of receipt of properly certified invoice from the Contractor.
4. Reserve the right to terminate the Contract prior to the agreed upon date if the terms of the contract are not being met. However, the Grantor shall give the Contractor seven (7) days written notice, specifying the particulars wherein it is claimed that there has been a violation, and if at the end of such time the Contractor has not removed the cause of complaint, or remedied the violation, or if the Grantor determines that the best interests of the trainee would be served best by terminating the contract, it will be so terminated. In the event the Grantor shall elect to treat such breach of contract on the part of the Contractor as a termination of this contract, the Grantor shall be entitled to maintain an action to recover damages arising out of such breach, as well as to all other legal or equitable remedies to which it may be entitled. The Grantor shall also have the right to terminate this agreement on seven (7) days' notice in the event funds obligated to it from the state or United States Department of Labor are either withdrawn or withheld. The contract may be canceled by either the Grantor or the Contractor at any time, with or without cause, upon thirty (30) days' written notice to the other party. In the event of such cancellation Contractor will be entitled to payment determined on a pro rata basis for services satisfactorily performed.
5. Reserves the right to modify/terminate this contract if the contract is determined inappropriate or for the convenience of the government if jointly agreed upon by Grantor & Contractor in writing.
6. Reimburse the Contractor on a negotiated basis.

CONTRACTOR/EMPLOYER OBLIGATIONS

The Contractor/Employer Agrees to:

1. Employ and train trainee for period and occupation and at the wage rate stated and furnish and perform continuous timely job instruction to trainee for the occupation shown.
2. Provide the person with adequate supervision during the training period comparable to that provided regular employees in similar positions.
3. Supply all necessary supplies, equipment, materials, clerical and all other services required for satisfactory training, to fully carry out assigned job duties and provide safe and appropriate working conditions.
4. Provide individuals receiving training on the job the same fringe benefits as other employees of the establishment, i.e. workmen's comp, leave benefits, insurance benefits, etc.
5. Pay all wages to the trainee during the training period.
6. Employ the person upon successful completion of contract period.
7. Maintain and retain accurate hours of training, time and attendance, and payroll records, including payroll checks, for three (3) years from the end of the contract period.
8. Employ the person without terminating, laying off, infringing on the promotional opportunities, or reducing the working hours of another employee or reducing the wages, non-overtime hours or employment benefits of other persons employed by the Employer.
9. Provide workmen's compensation protection for the trainee, or accident and liability insurance coverage to an extent equal to such protection.
10. Not subcontract the training described in Section 1).
11. Neither assign nor transfer any rights or obligations under this agreement without prior written consent of the Grantor.
12. In the event that if it makes material misrepresentations upon which the Grantor relies upon in placing a trainee on an OJT Contract with said Contractor, or if the trainee starts work prior to the start date of the OJT Contract, then the Contractor will make restitution of any WIA funds thereby wrongly received. The Contractor further agrees to hold harmless the Grantor for any damages incurred by having made payments due to Contractor misrepresentation. The Contractor also agrees to be responsible for its own liability, sanctions and debt repayments.
13. Repay funds to grantor upon determination that terms of this contract were not carried out due to willful disregard of contract terms or gross negligence. No such findings shall be made without notice of any opportunity for a fair hearing.
14. Provide to the grantor information pertinent toward development of a job description/training outline.
15. Any costs incurred by the Contractor and/or its agents that are not specifically referred to in this contract, will be the responsibility of the Contractor and/or its agents and not the responsibility of the Grantor.

Appendix 3

**NORTHEAST MINNESOTA OFFICE OF JOB TRAINING
820 N 9th St Room 240 • PO Box 1028 • Virginia, MN 55792
1-800-325-5332 • (218) 748-2200
ON-THE-JOB TRAINING INVOICE**

Contractor Name _____ Contract Number _____

Address _____ Is This Your Final Invoice? _____ Yes _____ No

City _____ State _____ Zip Code _____

List the training pay period covered by this invoice: _____ To _____
Mo/Day/Yr Mo/Day/Yr

Trainee:		Social Security #:			
Trainee's Job Title	Training Fee (50% wage) Reimbursement	X	Hours Claimed This Invoice	=	Amount Claimed This Invoice
	\$				\$

NOTE: Payroll Records Must Be Attached To This Invoice To Receive Payment

I declare under the penalty of law that I am the claimant making the within claim, that all obligations, including but not limited to the training skills provided to the trainee under the terms of the training outline and the contract, have been fulfilled for the invoice period, and that this account, claim, or demand is just and correct, and that no part of it has been paid. I further declare that, as an employer, I have and will maintain payroll records and have compiled with all provisions and assurances as contained in the On-the-Job Training contract.

Contractor's Authorized Signature

Name and Title (PLEASE PRINT)

Date

Signature

Phone Number

Section to be completed by the Office of Job Training:

I have reviewed the performance of the contract and have determined, and hereby attest, that all conditions and terms of the contract have been met and that the employer, to the best of my knowledge, has faithfully fulfilled all obligations under the contract. I further declare that I have conducted a complete review of the employer's payroll records and an assessment of the training skills received by the trainee to assure full compliance with the terms of reimbursement and other assurances expressed within the contract.

NE Mn Office of Job Training Representative

Name and Title

Signature

Date

OJT Agreement Contract Period: Start Date _____ Completion Date _____
Mo/Day/Yr Mo/Day/Yr

OJT Summary As of (Date):		
Total Hours Contracted	Hours Completed to Date	Hours Remaining

OJT Contracted Amount	Amount Paid to Date	Amount Claimed This Period	Balance of OJT Agreement
\$	\$	\$	\$

White - Grantor Yellow - Control Pink - Employer

Appendix 3, continued

OJT (ON-THE-JOB TRAINING) INVOICE INSTRUCTIONS

1. Enter your **business name, address, city, state, and zip code.**
2. Enter the **OJT contract number** located at the top right hand corner of the OJT Agreement
3. Enter the **payroll period(s)** for this invoice
4. Enter the **trainee's name** and **SS #.**
5. **Complete the boxes** as indicated:
 - Trainee's Job Title
 - Training Fee Reimbursement (50% of the trainee's wage as listed on the OJT agreement)
 - Hours Claimed on This Invoice
 - \$ Amount Claimed for This Invoice

* **Note:** *Payroll records must be attached to this invoice to receive payment.*

6. Print your name and job title
7. Date the form
8. Sign the form
9. List your business phone number

Mail the invoice and payroll records to the address on the top of the form. If you have any questions concerning the payment invoice, contact the fiscal dept. at (218) 748-2231 Fax: (218) 748-2236.

Other items pertaining to our OJT Program:

SINCE the purpose of OJT is to reimburse employers for the extraordinary costs involved in training a new employee, payments from this office can *only be made* for hours the employee is in actual training. We are not able to provide OJT hourly reimbursement amounts for such items as:

-employer paid vacations -sick leave -holidays -non-work hours

OJT payments can not be reimbursed for any hours worked that are not within the contracted start and end dates, as listed in the first paragraph of the OJT Agreement.

WAGES not specified in the OJT Agreement are the sole responsibility of the employer. We do not reimburse for any overtime pay differential, shift differentials, tips or commissions.

ALL reimbursements are calculated at the base wage rate listed on the OJT agreement. Wage increases or job classifications changes during this agreement period will not be automatically adjusted by this office. It is necessary for you to notify our office within 5 days of the affected changes before this office will consider additional reimbursements. A modification form will be mailed to you to address these changes.

IF the employee is terminated prior to the end of the OJT Agreement all training reimbursements will end as of the last day worked. This office needs to be informed about the termination within 5 working days. Once we are notified about the termination, a modification form will be mailed to you to address the changes in the OJT Agreement.

IF during the time of the OJT Agreement the employee is disciplined with a loss of work hours, work hours have been reduced below the stated weekly amount on the OJT agreement, or the employee is laid off temporary or permanently, we would need to have a modification completed to address the changes in the OJT Agreement.

Appendix 4

**ON THE JOB TRAINING AGREEMENT MODIFICATION
NORTHEAST MINNESOTA OFFICE OF JOB TRAINING**

820 NORTH NINTH STREET • ROOM 240 • BOX 1028
VIRGINIA, MN 55792

Participant:

SS#:

Contract No.

Agency:

NE MN OFFICE OF JOB TRAINING
820 NORTH NINTH STREET
ROOM 240 BOX 1028
VIRGINIA, MN 55792

Contractor:

THE ABOVE NUMBERED AGREEMENT IS MODIFIED AS FOLLOWS:

CHANGES HEREIN HAVE THE FOLLOWING EFFECT ON THIS AGREEMENT as of:

date

___ FUNDS INCREASED BY \$ _____ ___ FUNDS DECREASED BY \$ _____
___ HOURS INCREASED BY _____ ___ HOURS DECREASED BY _____

___ FUNDS UNCHANGED
___ HOURS UNCHANGED

Occupation & SOC/SVP Codes	Start/End Date	Contract Hours	Hourly Reimbursement	Cost for Occupation Based on 50% Reimbursement
Info from Original Contract:				
Modifications: If contract is Increased, show Increased Amounts				
Modifications: If contract is Decreased, show Decreased Amounts				
New Contract Amounts				

Except as hereby modified, all terms and conditions of said agreement as heretofore modified remain unchanged and in full force and effect.

In no event shall the total obligation of agency under the terms of this agreement exceed \$ _____.

IN WITNESS WHEREOF, the parties hereto have executed this contract as of the dates shown above.

AGENCY _____

CONTRACTOR _____

BY _____

BY _____

TITLE _____

TITLE _____

Appendix 5

MAXIMUM TRAINING LENGTH PER SVP FOR ON-THE-JOB TRAINING (OJT) CONTRACTS

<u>SVP</u>	<u>HOURS</u>	<u>WEEKS</u>
2	120	3
3	240	6
4	480	12
5	600	15
6	720	18
7	800	20
8	800	20

DETERMINING NUMBER OF TRAINING HOURS

Maximum hour assignments to contracts will be made when the client has no directly related work experience or related training in the OJT occupation. Hours of training assigned to a contract must be adjusted based on the percentage of time assigned to specific job task within the training outline, and the client's work or training background related to that component of the job. Examples:

- 1) A twenty year old client is a possible OJT client for a major appliance repair shop. The youth has no direct job experience or training in this area. The contract should be written for the maximum number of hours.
- 2) Mary worked six years ago for a mortgage lending company. She performed limited clerical functions and had no job functions related to computers/software applications. Mary is a candidate for an OJT contract with a local credit union. The job training outline requires job functions and training in computer operation and several software applications. Approximately 25% of the job tasks are similar to what Mary did in her clerical job several years ago.

This contract should be written for 75% of the maximum allowed, taking into consideration prior work experience related to the proposed job functions on the training outline.

- 3) Joe just completed an Auto Mechanic Program at a technical college. He has an OJT opportunity for the local BMW dealer. He has no prior job experience in auto mechanics. With his related classroom training, the contract hours must be reduced. A one or two year related technical program should reduce maximum hours by 50%.
- 4) Jason is terminated from a major lumber company. He has had lumber yard experience for the past 12 years. He has an OJT opportunity for Menards Lumber Company and the majority of job functions are the same or similar to his old job.

This is not an appropriate situation for an OJT contract due to related experience. Don't forget the client, he may still need some type of support services for the few weeks of job transition.

- 5) A certified CNA, RN, a licensed barber, and a beautician come in along with their bosses, trying to get OJT money. Any certified or licensed worker is not eligible for an OJT. They are already trained.

REMEMBER, THE DIRECTOR WANTS JUSTIFICATION AND DOCUMENTATION ANYTIME STANDARD PROCEDURES ARE DEVIATED FROM. FILE DOCUMENTATION IS VERY IMPORTANT IN THE OJT CONTRACT PROCESS.

**NORTHEAST MINNESOTA
OFFICE OF JOB TRAINING
820 N. 9th Street Suite 240
Virginia, MN 55792
1/800/325-5332**

**ON-THE-JOB TRAINING
PRE-AWARD CERTIFICATION**

Contractor _____ agrees that if it makes material
(Name of company hiring Trainee)
misrepresentations in information relied upon by the Northeast Minnesota
Office of Job Training in placing a trainee in an On-the-Job Training financial
agreement, the Contractor will make full restitution of all training funds
received. Contractor misrepresentation includes entering into a training
contract for an individual currently employed or previously employed by the
Contractor, failure to provide skill training in accordance to the training
agreement, failure to adhere to the hourly wage and/or hours per week, failure
to provide necessary payroll documents, or any violations of the Contractor
certification/assurances as stated on the contract agreement.

Northeast Minnesota
Office of Job Training
Agency Representative:

Date: _____

Contractor:

By: _____

Title _____

Date: _____

SAMPLE OJT TRAINING OUTLINE

Training times must be geared to both the complexity of the job and the abilities of the trainee. Training outline must identify the individual or job title of the person(s) responsible for the training. Training outline must be conducive to monitoring. Trainee, supervisor and/or trainer should be knowledgeable about its contents.

OJT contracts should be for individuals to move into entry level jobs with skills and knowledge to advance. The Office of Job Training has limits on the number of hours of training. They ask the employer to propose a training plan then negotiate a lesser number of hours at or below the limits. This approach adds an element of flexibility to the contracting process.

Automotive Technician:49-3023.00 Front End Mechanic (automobile service) alignment mechanic; axle-and- frame mechanic; chassis mechanic; wheel alignment mechanic.

Job Description: Aligns wheels, axles, frames, torsion bars, and steering mechanism of automotive vehicles, such as automobiles, buses, and trucks. Drives automotive vehicle onto wheel alignment, bent axle, work ball joints, and bent steering rods, using hand tools. Places wheel on balancing machine to determine where counter-weights must be added to balance wheel. Hammers counter-weights onto rim of wheel. Installs shock absorbers. Strengthens frame, using hydraulic jack, chassis aligner, and acetylene torch.

Training Outline:

1. Learn to operate wheel alignment machines. Develop skills required to measure, caster, camber, toe-in, toe-out, king pin inclination at requisite levels of precision for various types of systems used on contemporary passenger cars, i.e., double wish bone coil suspension systems, McPherson strut system, torsion bar system, etc.

Trainer: Assigned lead worker

Hours: 160

Performance Measurement: Demonstration of skills required to operate equipment and tools used to align front-end components according to specifications.

2. Instruction in the disassembly and assembly of component parts of various front end systems noted in item #1. Learn to remove and replace springs, shocks, ball joints, king pins, struts, steering rods, tie rods, steering arms, idler arms, etc. Become thoroughly familiar in the operation of power tools and hydraulic equipment used in the above operations.

Trainer: Assigned lead worker

Hours: 200

Performance Measurement: Demonstration of ability to remove and replace springs, shocks, ball joints, king pins, struts, etc. using power tools and hydraulic equipment.

3. Learn to operate with required skill, equipment used to remove and replace tires from wheels. Learn to operate various items of equipment to balance wheels on and off vehicles, static and dynamically, using computerized balancing equipment.

Trainer: Assigned lead worker

Hours: 80

Performance Measurement: Demonstration of skills required to operate tire changing and wheel balancing equipment.

TOTAL:

Hours: 400

Desktop Audit Worksheet for OJT

Employer's Name _____

Participant's Name _____ Fiscal Fund & Contract # _____

Yes No

1. Is there a completed application on file? _____
If Yes, enter date signed _____
 - a) Does training start after application date? _____
 - b) Is this the first time the participant has worked for this employer? _____
2. Is there a completed EDP on file for this participant? _____
3. Is there a completed enrollment/status change/termination form on file? _____
4. Is there a completed OJT contract on file? _____
5. Does the contract contain a brief training outline and job description? _____
6. Complete the following:
 - a) SOC/SVP code: SOC# _____ SVP# _____ = _____ hrs
 - b) Beginning date of contract _____ end date of contract _____
 - c) Total training hours contracted for _____
 - d) Hourly wage rate \$ _____ Hourly reimbursement rate \$ _____
 - e) Total cost of contract \$ _____
7. Is the length of training compatible with the SOC/SVP code? _____
8. Is the reimbursement rate less than or equal to 50% of the hourly rate? _____
9. Was the contract signed by the employer before the training started? _____
10. Is the hourly wage rate greater than the minimum wage rate? _____

COMPLETE UPON RECEIPT OF (FINAL) OJT INVOICE

11. Are the invoices signed by the employer? _____
12. Are the total amounts requested less than or equal to 6(e)? _____
13. Are the total hours worked compatible with 6(c)? _____
14. Is the hourly cost factor compatible with the reimbursement rate? _____
15. Is the training period covered by the invoice within the boundaries of 6(b)? _____
16. Is the invoice accompanied by a copy of the employee's payroll record? _____
17. Is the payroll record compatible with the above information? _____
18. If the contract is not completed, is there a modification deobligating the remaining funds? _____
19. Would you recommend paying the final invoice? _____

Your Signature _____ Date _____

ALL "NO" RESPONSES MUST BE ADDRESSED ON THE BACK OF THIS FORM

OJT FILE CHECK-OFF AND PAPER FLOW PROCEDURES

OJT Contract Originated By:

(Signature of Career Counselor)

ALL DOCUMENTS CHECKED BELOW ARE INCLUDED IN FILE

- _____ 1. Application
- _____ 2. Status Change Form
- _____ 3. ISS
- _____ 4. Signed/dated Contract
- _____ 5. Pre-Award Certification/Assurances
- _____ 6. Completed Training Outline
- _____ 7. Employer Job Description
- _____ 8. Client Resume'

REVIEWS

- _____ First Review
- _____ Second Review
- _____ Second Monitor if necessary
- _____ File formatted in order and checked for completion
- _____ Fiscal business completed

