

**SOUTHERN NEVADA WORKFORCE INVESTMENT BOARD**  
**General Policy & Procedure**

**ON-THE-JOB TRAINING & CUSTOMIZED TRAINING**

**EFFECTIVE DATE: July 11, 2003**

**NUMBER: 3.8**

**SUPERSEDES: SNWIB General Policies and Procedures No. 3.8 dated July 1, 2000**

**AUTHORIZATION: SNWIB Executive Director**

**I. BACKGROUND:**

- A. Title I of the Workforce Investment Act (WIA) defines that **On-the-Job (OJT)** training be "...provided under contract with an employer in the public, private non-profit, or private sector. Through the OJT contract, occupational training is provided for the WIA participant in exchange for the reimbursement of up to 50 percent of the wage rate to compensate for the employer's extraordinary costs." OJT is an ideal service strategy, since it is specifically designed to address unique, individual participant needs and interests. [§663.700, [§663.715(a), Sections 101(31) and 134(d)(4)(A)]
- B. OJT's participants may earn a credential for the skills obtained during their training program (refer SNWIB Policy 3.13, "General Provisions for Credentialing On-The-Job Training").
- C. **Customized training** is defined as training that is designed to meet the special requirements of an employer (or group of employers), that is conducted with a commitment from the employer to hire or (in the case of incumbent workers) continue to employ an individual on successful completion of the training, for which an employer pays not less than 50% of the cost of training.
- D. Customized Training of an eligible employed individual may be provided for an employer or a group of employers when the employee is not earning a self-sufficient wage as determined by SNWIB policy 3.1, and the Customized Training relates to the introduction of new technologies, introduction to new production or service procedures, upgrading to new jobs that require additional skills, or workplace literacy. **For purposes of this policy, Customized Training will be documented, procured, reimbursed, and the credentialing requirements shall be the same as those under the guidelines for On-The-Job Training.**

**II. GENERAL PROVISIONS FOR DETERMINATION OF THE NEED FOR ON-THE-JOB TRAINING**

- A. Prior to enrollment of clients into an OJT activity, the following criteria must be considered in determining the appropriateness of this type of training for an individual:
  - 1. OJT's shall only be offered to individuals who have been assessed, and for whom the need for training services has been documented in the IEP/ISS. (Refer to SNWIB Policy 3.2]
  - 2. The OJT training must be directly related to employment opportunities in the local

area, or in another area to which the individual is willing to relocate. This must be documented in the client's case file (Refer to SNWIB Policy 3.3)

3. OJT is not a placement activity, it is a training program. Therefore, the SNWIB service providers shall develop and execute OJT contracts that encompass highly skilled occupational training that is portable, and the acquired knowledge is "life long" and essential to performing the job.
4. A realistic training plan must be constructed which documents the skills required, stipulates a schedule for achieving those skills, and contains criteria for measuring and monitoring the attainment of those skills.

### III. **GENERAL PROVISIONS FOR DEVELOPMENT OF AN OJT EMPLOYER**

- A. An OJT employer pre-award assessment procedure must be performed prior to entering into an OJT contract. This evaluation must delineate the OJT employer's prior performance in training, fiscal accountability and the process by which the employer plans to meet local WIA established performance standards.
- B. The pre-award evaluation must ensure that the OJT physical environment and the employer's training plan are in compliance with NRS, WIA, ADA, EEO, the Fair Labor Act of 1938, and all other Federal, State and Local regulations that are contained in the SNWIB's Methods of Administration.
- C. SNWIB prohibits negotiating OJT contracts with employers under the following conditions:
  1. If any employee is displaced by a participant.
  2. If any individual is on a layoff status with the employer in the same or equivalent job.
  3. If the place of employment is engaged in a labor dispute.
  4. If the OJT would impair an existing collective bargaining unit.
  5. If the OJT would impair the promotional opportunity of any currently employed individual.
  6. If the employment of an OJT participant is with the participant's previous employer in the same, a similar, or an upgraded job.
  7. The WIA prohibits WIA Title I assistance to any relocating company for the first 120 days after the company commences operations at a new or expanded location if the relocation results in any employee's job loss at the original site.
  8. OJT participants are prohibited from being trained in any facility that is used or to be used for sectarian activities.

IV. **GENERAL PROVISIONS FOR DEVELOPMENT OF AN OJT CONTRACT**

- A. OJTs focus is on the definition and attainment of measurable skills. If tangible skills have been attained by a trainee during the OJT experience, employers shall be reimbursed for the extraordinary costs incurred in providing the required training.
- B. In an OJT training situation, the WIA participant becomes an employee of the OJT employer, and is hired under the same policies and procedures, and retain the same rights, as other currently employed individual at the facility. The WIA allows for reimbursement up to 50% of the trainee's wages paid by the employer during the training period.

C. In general, OJT contracts shall contain the following provisions:

- 1. The OJT contract must be limited to the period of time that is required for the participant to become competent in the occupation for which they are being trained, **and the start and end dates of training must appear on the contract.** The justification for the timeframe must be documented in the individuals IEP/ISS based upon the skill level of the trainee and the required occupational skills of the job, the trainee's work history, and any other factor that may effect the time period of the training.
- 2. The employer's job skill requirements must be specifically identified, carefully analyzed, and monitored. A realistic training plan must be constructed which documents the skills required, stipulates a schedule for achieving those skills, and contains criteria for measuring and monitoring the attainment of those skills.

The description of training must indicate the occupational areas or skills the participant will be trained to perform. Specific measurable objectives, along with number of hours of training required to obtain those skills, should be part of the OJT training description. Language such as "will perform other duties as required," should not be used in a training description. **The skills criteria must be a part of the OJT contract.**

- 3. The SNWIB requires that OJT participants be compensated at the same rates, including periodic increases not related to individual performance, as similarly situated employees or trainees. In no event shall OJT participants be paid less than the minimum wage. **The participants wage rate and maximum reimbursement obligation amount must be a part of the OJT contract.**

Wages do not include tips, commissions, or normal fringe benefits. OJT trainees are entitled to the same fringe benefits regular employees receive. The employer is responsible for 100% of the fringe benefit cost for each trainee.

Trainees may work overtime for an employer as long as the trainee does not object, and provided they are compensated at the employer's usual rate. However, overtime wages are not reimbursable. Paid federal or local holidays, recognized by the employer as being a paid day off, are reimbursable.

4. OJT contracts will not be considered valid unless they **are signed and dated by both the appropriate employer and Service Provider representatives. Copies of all fully executed OJT contracts must be made a part of the client 's file,** as well as all related attendance records.
5. For **Youth** selected for OJT training must have career advancement potential, and must pay a wage that equals or exceeds the average local area's performance placement wage for youth. The training curriculum must be written presenting the skills to be learned in an orderly sequence, and include a "skill certificate" attainment component.

V. **ADDITIONAL OJT CONTRACT PROVISIONS**

- A. The SNWIB has determined that the following are additional requirements to the OJT procurement and reimbursement process:
  1. It is the policy of the SNWIB that the number of trainees at any single site of training shall not exceed 25% of the total number of employees at such site. In the event the business is small and there is only the owner/operator and less than 5 employees, then the maximum number of trainees shall be one (1), which will be dependant upon the employer's ability to provide constant and constructive supervision and training to the participant.
  2. When requesting reimbursement for wages paid under an OJT contract, **employers are required to submit time and attendance records documenting all hours worked for which the employer is requesting reimbursement.** The information submitted must be designed to provide Service Providers with sufficient information to validate hours worked and that wages paid conform to the OJT Contract. **Both the employer and the trainee must sign the time and attendance records** as certification that the time report is correct and that the trainee received the wages shown on the invoice.
  3. If an OJT participant receives a salary increase during the period of the OJT enrollment, or if there is additional training required than was outlined in the original contract training description, then an OJT contract may be modified. In these cases, a revised contract must be developed using the same provisions as an original contract. **The reason for the contract modification must be documented in the client's IEP/ISS.**
  4. OJT employers must maintain and retain all financial, trainee attendance, progress, and any other documents related to WIA Title I OJT contracts. These records must be made available when deemed appropriate for review by the Service Provider, SNWIB, State, or Department of Labor for monitoring, participant complaints, audits and/or litigation. Records shall be kept until such action has been resolved.
  5. No funds provided to employers for OJT or Customized Training can be used to directly or indirectly assist, promote or deter union organizing.

VI. **GENERAL PROVISIONS FOR PROHIBITED OJT EMPLOYERS**

- A. State Policy 1.14 stipulates that the process for review and approval of OJT contracts shall

ensure that contracts are not approved with employers who have exhibited patterns of failing to provide OJT participants with continued long-term employment as regular employees with wages, benefits and working conditions at the same level and to the same extent as similarly situated employees. The State defines long-term employment as six months or longer.

- B. In order to facilitate a list of prohibited employers, the Service Provider must adhere to the following provisions:
1. All OJT employers are subject to evaluation for purposes of determining whether or not they met the terms and conditions of their agreements. Through a collective effort from ongoing monitoring, counselor communication, and participant input, the effectiveness of an OJT employer can be determined.
  2. An employer may be identified as inappropriate for OJT contracts because the employer has had two or more previous OJT contracts and exhibited a pattern of failing to provide OJT participants continued long-term employment (defined as six months) as regular employees with wages and working conditions at the same level and to the same extent as similarly situated employees.
  3. Any employers found to have violated any contract assurance, exhibited a lack of fiscal accountability, or failed to meet contract provisions will be placed on a “Prohibited Employers List”. The SNWIB must be informed, in writing, whenever a Service Provider has determined and documented such failures and determinations. Additionally, the SNWIB may identify circumstances where the employer’s actions are in noncompliance with established OJT regulations and procedures, and as such may result in the SNWIB placing the employer on the “Prohibited Employers List”.