



# LOS ANGELES COUNTY

## WIA Adult and Dislocated Worker Programs

### DIRECTIVE

**NUMBER: LACOD-WIAD08-7**

**SUBJECT: On-the-Job Training**

**DATE: 03/17/08**

**EFFECTIVE DATE: 03/17/08**

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#### **OVERVIEW:**

The Los Angeles County Local Workforce Investment Area (LWIA) encourages customer choice, system performance, and continuous improvement in all aspects of service delivery. In support of the County's commitment to offering customer-driven and quality-focused services, implementing effective processes for delivering work-based training, through the On-the-Job Training (OJT) model and other modalities, is a priority.

#### **Purpose:**

This directive provides information and guidance to County Workforce Investment Act (WIA) program contractors on the WIB's policy and procedures for providing OJT to participants enrolled County-funded WIA Adult and Dislocated Worker programs.

OJT is a proven method for employers to train new or existing employees in specific vocational skills. It is generally understood by businesses that a new employee goes through a learning curve, which will vary based on the level of difficulty inherent in the job and the employee's related experience performing similar functions. This learning process often results in the employer incurring substantial costs to train new employees so that they attain a necessary level of proficiency and the ability to work independently on the job. Under WIA, OJT can defray a portion of these costs. OJT is a valuable resource for businesses based on the fact that, following completion of on-the-job training, employees are prepared to make significant contributions to the productivity and financial health of the company that hires them.

#### **Scope:**

The County's OJT policy provides clear parameters for WIA contractors in the development of on-the-job training programs and agreements on behalf of their Adult and Dislocated Worker program participants. However, WorkSource Centers will be required to establish their own written policies and procedures concerning length of training, weekly training hours, and other features of OJT

programs. Such policies should be customer-focused and reflect the needs of businesses within the area served by the WorkSource Center. A 30-day comment period was initiated, during which time the policy was transmitted in draft form to system stakeholders and a WIA Contractors' Forum was held to discuss the policy.

**Effective Date:**

This directive is effective on the date of its issuance.

**Definitions:**

Section 101 (31) of the Workforce Investment Act of 1998 provides the following definition of On-the-Job Training:

*"The term "on-the-job training" means training by an employer that is provided to a paid participant while engaged in productive work that:*

- *provides knowledge or skills essential to the full and adequate performance of the job;*
- *provides reimbursement to the employer of up to 50 percent of the wage rate of the participant, for the extraordinary costs of providing the training and additional supervision related to the training; and*
- *is limited in duration as appropriate to the occupation for which the participant is being trained, taking into account the content of the training, the prior work experience of the participant, and the service strategy of the participant, as appropriate."*

For the purposes of the policy and its application to the County's WIA program, the definition under WIA section 101 (31) will apply.

**References:**

- WIA Section 101(31) – *Definitions*
- WIA Section 122 (h)(1) and (2) – *Identification of Eligible Training Providers; On-the-Job Training or Customized Training Exception*
- WIA Section 134 (d)(4)(D)(ii) – *Required Employment and Training Activities; OJT*
- Title 20 CFR Part 663.595 – *What requirements apply to providers of OJT and customized training?*
- Title 20 CFR Part 663.700 – *What are the requirements for on-the-job training (OJT)?*
- Title 20 CFR Part 663.705 – *What are the requirements for OJT contracts for employed workers?*

- Title 20 CFR Part 663.710 – *What conditions govern OJT payments to employers?*
- Title 20 CFR Part 663.730– *May funds provided to employers for OJT or customized training be used to assist, promote or deter union organizing?*

**BACKGROUND:**

On-the-job training is listed among the allowable training services under WIA section 134(d)(4)(D)(ii). OJT is provided under a contract with an employer in the public, non-profit, or private sector. Through the OJT contract/agreement, 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.

**POLICY/PROCEDURES:**

The County has established OJT policies and procedures as described below.

**Policy:**

The Los Angeles County Workforce Investment Area's policy for on-the-job training programs incorporates both "general requirements" and "requirements for employed workers."

**General Requirements:**

1. Employers may be reimbursed up to 50% of the wage rate of an OJT client for the extraordinary costs of providing the training and additional supervision related to the OJT. The primary wage cannot be in the form of commission.
2. Employers are not required to document "extraordinary costs."
3. An OJT contract must be limited to the period of time required for a participant to become proficient in the occupation for which the training is being provided. In determining the appropriate length of the contract, consideration will be given to the skill requirements of the occupation, the academic and occupational skill level of the participant, prior work experience, and the participant's individual employment plan.
4. An OJT contract/agreement will not be executed with an employer who has previously exhibited a pattern of failing to provide OJT participants with continued long-term employment with wages, benefits, and working conditions that are equal to those provided to regular employees who have worked a similar length of time and are doing the same type of work.

At the completion of training, the employer is encouraged to provide a wage increase to the participant.

5. For each employer with which an OJT contract is entered into, the One-Stop operator will collect and report to the County the following performance information:
  - ❖ The percentage of participants who have completed the training and who are placed in unsubsidized employment;
  - ❖ The employment retention rate of participants six months after initial unsubsidized employment;
  - ❖ The wages received by participants six months after initial unsubsidized employment, including the percentage of wage gain.
6. No funds provided to employers for OJT are to be used to directly or indirectly assist, promote or deter union organizing.

Requirements for Employed Workers:

An employed worker is defined as a participant who is employed at the time of the WIA application or a current participant who is employed in unsubsidized employment but has not been exited.

1. An OJT agreement may be entered into with the client's current employer; provided the training outline clearly indicates that the occupational skills to be acquired are an upgrade to the existing skills of the client.
2. An OJT Agreement may be written for an employed worker only when all of the following are documented:
  - ❖ The employee is not earning a self-sufficient wage.
  - ❖ The OJT relates to the introduction of new technologies, introduction to new production or service procedures, upgrading to new jobs that require additional skills, workplace literacy, or other appropriate purposes identified by the Los Angeles County WIB;
  - ❖ Total hours for the OJT must be suitable for the occupation; and
  - ❖ All other requirements described in the County's OJT policy are met.

Procedures:

Given the policy established by the County for OJT, contractors will need to develop and implement procedures covering the following:

1. Minimum/Maximum OJT Hours: Contractors must develop procedures for establishing minimum and maximum lengths of OJT. Such lengths must

correlate to the level of complexity for the skills in which the participant is being trained.

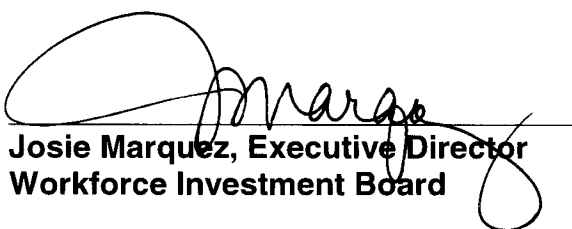
2. **Minimum Weekly Hours:** Contractors must develop a rationale for weekly training hours. Typically, 32 hours is required for full-time employment. A written rationale is required for entering into an OJT agreement for less than full-time training.
3. **OJT Agreement:** Each contractor must develop an "OJT Agreement" that incorporates all OJT policies incorporated herein, along with all related provisions of the Workforce Investment Act and WIA regulations.
4. **OJT Monitoring:** Contractors must develop and implement written procedures for monitoring on-the-job training programs to ensure that participants receive job-specific skills training and that other features of the contract are met.

**ACTION:**

Los Angeles County WIA Contractors should ensure that the policies and procedures described herein are communicated throughout the operations, management and governance structure of the contractor organization and that this Directive is appropriately maintained until further notice.

**INQUIRIES:**

Inquiries regarding this directive and the policies and procedures described herein should be directed to Maggie Mireles at (213) 738-2198 or Robert Brieff at (213) 351-8924 or [rbrieff@css.lacounty.gov](mailto:rbrieff@css.lacounty.gov).



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