



ON-THE-JOB
TRAINING
(OJT)
GUIDANCE MANUAL
Southeast TN Local Area



This project is operated by the Southeast Tennessee Development District and is under an agreement with the Tennessee Department of Labor & Workforce Development. Equal Opportunity Employer/Program. Auxiliary aids and services are available upon request to individuals with disabilities. TDD/TTY Relay 711.

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INTRODUCTION

Southeast Tennessee Local Workforce Development Board administers a comprehensive program that utilizes multiple employment and training activities authorized under the Workforce Innovation and Opportunity Act (WIOA) to support the career development of job seekers and the talent pipeline needs of businesses in Bledsoe, Bradley, Grundy, Hamilton, Marion, McMinn, Meigs, Polk, Rhea, and Sequatchie Counties. On-the-Job Training (OJT) is one strategy that is proven to serve this purpose well by helping individuals secure employment, learn industry-driven skills, and help businesses fill current openings.

WIOA law contains provisions that broadly define OJT, but many of the parameters have been left to state and local definition. This manual outlines procedures for American Job Center staff and provides guidance on the implementation of OJT in the local area. Staff engaging in OJT activities should reference the local policy to ensure that service delivery complies with applicable regulations.

OVERVIEW OF ON-THE-JOB TRAINING

OJT is a hire-first strategy that benefits both the job seeker and the business. OJT encourages public, private, and not-for-profit businesses to hire an individual for 'fit' who would not otherwise qualify for the job because the individual lacks key skills or does not meet the educational requirements and to teach them the skills required to successfully perform on the job. The OJT program provides partial wage reimbursement to the employer for an agreed-upon training period in exchange for the provision of training by the employer and a commitment to retain the individual upon successful completion of training.

Benefits to the Business:

- OJT reduces the cost of training new employees
- OJT provides maximum flexibility to design onsite training that aligns with the specific skills needed in the job
- OJT is a long-term investment in the company

Benefits to the Job Seeker:

- OJT provides an opportunity to earn as they learn
- OJT provides hands-on rather than classroom learning opportunities
- OJT builds job-specific and career-advancement skills
- OJT provides an opportunity for long-term employment with sustainable wages

The OJT job opportunity must be regular, full-time (defined locally as 32 hours per week or more) employment with an employer who agrees to provide training. Employers may be reimbursed for the extraordinary costs associated with training new hires and the costs of reduced productivity of employees during the training period. Local policy allows for up to 50% wage reimbursement up to \$5,000, depending on the complexity of the job and the job seeker's prior related work experience and education.

OJT can be utilized in conjunction with other subsidized employment programs offered through American Job Center (work experiences, paid internships, transitional jobs) and WIOA-funded training provided there is documented justification and that these sequential or concurrent services are critical to employment, retention, and long-term wage stability.

All new employees undergo initial training and orientation, which is a form of training. OJT will compensate the employer for training in addition to what is normally provided to a qualified new employee, not the routine onboarding provided to all new hires.

During the course of an OJT, the trainee/employee must be treated as a regular employee and should receive wages and benefits at the same level as similarly employed workers.

American Job Center participants eligible to OJT must be enrolled into a WIOA Title I program, have completed a comprehensive assessment, and developed an Individual Employment Plan/Individual Service Strategy (IEP/ISS) with their Career Advisor that aligns with the OJT position. The assessment process is used to

determine that the job seeker has a need for the training that will be provided and the ability to benefit from the training. Career Advisors should determine a job seeker's suitability for OJT by evaluating their essential employability skills, job-specific skill deficiencies, career interests, and goals. Supportive services that may be needed for an individual to successfully participate in an OJT must also be assessed and outlined in the IEP/ISS.

Job Seekers who already possess a significant portion of the skills required to perform the job should not be placed into OJT positions. WIOA requires that OJT funds be used when there is a documented need for the training. Strict adherence to this principle is required – an individual who possesses the knowledge, skills, and abilities essential to fully functioning in the job may not be placed into an OJT. In reality, many jobs are unique to the employer and are not an exact match to the skills required for similar positions with other employers, even when the job title is the same. The need for OJT in this situation may still be established through the assessment process and need justification documented. Similarly, OJT may be needed if an individual performed a similar role far back in their work history or if technological advancements have changed the nature of the work.

TERMINOLOGY

Layoff

Absent a clear and applicable layoff definition found in a collective bargaining agreement or personnel policy, the following terms shall govern:

1. A layoff is the termination of an employee with the intent to recall that employee when work and consequent employment opportunities increase. If a laid off employee refuses a recall request, that employee is no longer considered to be in layoff status.
2. Layoff recall rights shall last **120 days** from the last day of work prior to the layoff. If more than one person is on layoff from a same or similar position as the OJT trainee, and all those people worked their last day more than **120 days** before the OJT training plan began, the OJT may proceed and the employer may be reimbursed without regard to the previous layoffs.
3. Individuals who are employed by a staffing agency, and who are subject to the host employer's day-to-day control, shall be included within the layoff definition. If a staffing agency employee and a person employed by the host work site perform the same or substantially equivalent work, a layoff of either worker shall be considered a layoff by both employers.

Business Relocation

Employment within one local operation controlled by an employer may grow while employment at another location controlled by that employer is in decline. This does not necessarily mean that work is being relocated. The key consideration is whether employment loss in one labor market is directly related to employment growth in another U.S. labor market. Factors to be considered include:

1. If an employer stated intent is to relocate work from one U.S. labor market location to another that statement must be taken at face value.
2. The existence of an applicable collective bargaining agreement or a personnel policy defining work relocation. The terms of the bargaining agreement or personnel policy are determinative.
3. The connection between employment growth in Tennessee location and employment loss in another U.S. labor market. The critical question is whether employment growth at the Southeast Tennessee Local Workforce Development Area location contributed to employment loss in another U.S. labor market.
4. The employer's signed certification in the OJT Master agreement that no relocation has occurred must be taken at face value and given great weight, absent a clear indication (from one or more of the above factors) that a work relocation has occurred.
5. The prohibition barring the use of the Southeast Tennessee Local Workforce Development Area to assist employers in any way when relocation has occurred is lifted 120 days after work has commenced at the new location. The term "commencing work" means more than identifying a new location or beginning the hire process. It means beginning to perform the relocated work at the new location.

6. In cases where a company relocates from one US labor market to Tennessee and any worker is left behind and remains unemployed at the old location, the relocation prohibition applies. The unemployed worker left behind need not be in a same or substantially similar job. Services may be provided to the company in the new location after 120 days of operation.
7. The term “unemployed” means qualifying for unemployment insurance. If all “left behind workers” choose permanent retirement or do not qualify for unemployment insurance, the relocation bar does not apply.

Conflict of Interest

When referring to “Serving Immediate Family Members, Close Acquaintances and Other Stakeholders in WIOA,” the local Southeast Tennessee Local Workforce Development Area and the agency’s conflict of interest policies and procedures apply and may be more restrictive than the state policy letters. An OJT-related conflict of interest can arise in several ways:

- a. The business owner or the trainee’s direct supervisor is a member of the trainee’s immediate family. In this instance, it is not advisable to approve the training plan.
- b. The business owner or the trainee’s direct supervisor is a member of a WIOA staff person’s immediate family. In this instance, the WIOA staff person should declare the conflict in writing and should have no involvement with the execution, oversight, reimbursement or monitoring of the OJT contract or related training plans.
- c. A participant receiving OJT may be a member of a WIOA-funded staff person’s immediate family. In this case, the participant should declare the conflict by completing the Conflict-of-Interest Disclosure statement. It is impermissible for a publicly funded employee to favor or appear to favor a family member.
- d. Similar issues arise when a close relationship exists between the trainee, an employer, the trainee’s direct supervisor or a WIOA-funded staff person. The close relationship could be a significant other or a business partner. These types of close relationships are hard to define precisely. The key is to preserve public trust and to avoid the appearance of favoritism. When in doubt, declare the conflict to your supervisor and handle the situation in a way that removes any hint of favoritism.

Union Concurrence

If the work site is covered by a collective bargaining agreement, the bargaining agent must be given an advance chance to review the OJT arrangements. If the labor union objects to the OJT agreement, no training plans can be approved until the union approves. The best way to handle this requirement is for the employer to meet with the labor representative and explain the OJT agreement. The union should be contacted as soon as possible after the employer expresses interest in an OJT opportunity. The labor representative should be given a copy of the Master Agreement to sign off on. At a minimum, this agreement should express the union’s concurrence with the employer’s OJT agreement. The union representatives’ signature is valid throughout the OJT agreement period. If a strike or other work stoppage occurs, all OJT agreements shall be suspended at that work site until the strike or stoppage ends. This requirement may be waived in writing by the union if the trainee’s job is not directly affected by the strike or stoppage.

PRIVATE PLACEMENT/STAFFING AGENCIES

Many job openings are filled by “host employers” using staffing, “temp” or personnel agencies. Staffing agencies are usually the employer of record. They provide pay and benefits and are responsible for payroll taxes and workers’ compensation. The host employer is usually responsible for providing the work and workspace. Training can be the responsibility of the host employer, the staffing agency or both.

NO “temp to hire” situations allowed. The new hire must be approved by Southeast Tennessee Local Workforce Development Area with the staffing agency prior to the first date of employment with the host employer. Sometimes the staffing agency may employ the new hire for days, months or even years. There is no standard industry-wide arrangement. However, these employees are not eligible for the OJT program.

When regular WIOA funds are used for an employment situation involving a staffing agency, several factors must be considered prior to approving OJT funding:

Retention Rate

Is there a good chance of long-term continued employment at the work site? Retention Rates should be studied, and if there is a “ballpark” **70 percent** chance or better of continued employment for a year or more, the use of a staffing agency should not be an obstacle. Retention Rates can be estimated based upon passed experience at the work site and based on employment retention with the host employer and the staffing agency. This conversation should occur when the Pre-Award Application is completed and at least every year thereafter when the OJT Master agreement is renewed.

Pay and Benefits

Does the pay rate meet state and local requirements? Are benefits the same for similarly employed individuals? Are new hires commonly let go just prior to the transition to employment by the host employer?

Paperwork

Whenever a staffing agency is involved, make sure that the host employer, ***not*** the staffing agency, approves all OJT paperwork. Meeting OJT obligations is a dual responsibility of the host employer and the Title I Staff.

Reimbursement

It is critically important to clarify up front, when the Employer Pre-Award Application is completed, that the Host Employer, not the Staffing Agency, will receive OJT reimbursement checks. This is a call to be made solely by the Southeast Tennessee Local Workforce Development Board.

The reimbursement amount must be based on the OJT worker’s actual hours worked and beginning hourly wage, exclusive of any fees paid to the staffing agency.

EMPLOYER RESPONSIBILITIES

- The employer will ensure the job openings are posted and remain active on the www.jobs4tn.gov website.
- The employer agrees to maintain appropriate standards for health and safety in work and training situations.
- If employers do not have an established employee grievance procedure, they agree to abide by the procedure provided by the Southeast Tennessee Local Workforce Development Area Agency.
- The employer understands that individuals in on-the-job training shall be compensated at the same rates, including periodic increases, as all similarly employed workers or trainees with the same employer, and in accordance with applicable laws. (In no event shall the rate of pay be less than the applicable state or federal minimum wage, whichever is higher).
- The employer will give the Southeast Tennessee Local Workforce Development Area Agency, or the authorized Quality Assurance Monitor access to and the right to examine all records, books, papers or documents related to this agreement and will maintain said records, books, papers or documents for a period of three years from the date of termination of this agreement.
- The employer agrees to participate in any follow-up efforts conducted by the Southeast Tennessee Local Workforce Development Area, or the authorized Quality Assurance Monitor to evaluate program effectiveness. The employer furnishes all instructional materials, equipment, supplies, and services necessary to conduct the training described in the agreement, except as otherwise agreed to prior to the execution of an Addendum.
- The employer will provide OJT in a practical sequence and will include instruction and experiences outlined in the training plan.

ON-THE-JOB TRAINING (OJT) PROCESS

Employer Outreach

- Promote OJT opportunities to employers as part of the Business Service Team's overall outreach strategy.
- Perform inside-out job development for currently enrolled participants.
- Increase name recognition within business/industry community through event attendance.

Pre-Award Application & Employer Eligibility

- Meet with the employer in person at the worksite.
- Assess employer's current needs, available positions, and eligibility to funding.
- Complete the checklist with the employer.

Master Agreement

- Conduct OJT orientation with Employer to review terms and conditions.
- Master Agreement is completed and signed by AJC Staff, Company Representative, LWDB Staff and is in place for up to one year.

Trainee Recruitment

- Activate job order(s) in Jobs4TN
- Identify job-ready enrolled participants and perform recruit-screen-refer activities for the Hiring Manager.
- For reverse referral candidates, complete intake/enrollment process prior to anticipated OJT start date.

OJT Hire

- Conduct skills gap analysis with participant and employer.
- Complete and execute an Addendum prior to the OJT start date.
- Maintain bi-weekly contact with employer and participant and document progress in Jobs4TN.
- Conduct an onsite mid-point evaluation.

OJT Closure/Payment

- Conduct a final evaluation.
- Issue OJT Certificate of Completion and enter training milestone MSG.
- Manage invoicing from employer.
- Close participant WIOA Title 1 enrollment.

Monitoring

- Monitor compliance to Master Agreement, training plan, and federal requirements.
- Evaluate the goals of OJT have been achieved.
- Document and address any performance/compliance issues.

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Employer Outreach

On-the-Job Training is just one strategy in a comprehensive support system available to employers through the public workforce system. All employer-facing staff should utilize the same needs assessment questionnaire to assess employers' needs and determine what service or combination of services will add greatest value.

OJT training can be marketed by all staff in the public workforce system, regardless of role or Title, and to both employers and job seekers. OJT outreach can be conducted on behalf of specific participants (job development) or generally to employers in high-demand sectors who have ongoing hiring needs (business engagement). The overarching goal is to train local job seekers for long-term employment and careers in sustainable wage work.

Outreach can be done directly or indirectly. Outreach to employers can include face-to-face contacts, mailings/blasts, social media promotion, involvement with Chambers of Commerce and sector-specific groups, press releases, networking with other agencies such as local ECD, collaboration with the local Business Service Team (BST), and speaking to civic organizations.

Other possible outreach strategies include:

- Researching companies found to be hiring on online job boards (Indeed, etc) and contacting them about their current/historical hiring needs.
- Providing job-ready participants with an OJT orientation and coaching them to sell OJT to employers during the hiring process.
- Contacting employers on behalf of participants who have successfully completed initial interviews.
- Working with community partners to target high-growth industries for regional outreach.
- Educating employers about how OJT training can enhance their business, reduce turnover, and increase profits.
- Promoting OJT to ETPL providers as a partnership to enhance job placement outcomes.

OJT can be explained as an investment the Local Workforce Development Board is making in the business and the trainee. Business Services Team should coordinate concise messaging about AJC services to business/industry, including the consistent use of terminology like 'customer' for employer and 'client' for participant as to set the appropriate tone for ongoing relationships.

Pre-Award & Employer Eligibility

OJT is provided under a Master Agreement. All employers with an active Master Agreement can then execute a training contract (Addendum) for each new hire. The Addendum prescribes the hours and wages to reimburse at the completion of the agreed-upon training elements. Prior to entering into a Master agreement with an employer, staff will conduct a pre-screening to ensure that the employer meets the minimum standards and can provide both training and long-term employment to an OJT trainee.

Hiring and training may begin after a Pre-Award Application is completed and a Master Agreement has been signed by all parties. When considering an employer to participate in OJT, staff should determine that the employment is on-going. The participant becomes an employee of the company on the day the OJT begins. Staff should carefully consider if an employer is suitable to be an OJT worksite. General business practices around working conditions (health/safety), wage structure, benefits, turnover rates, sufficient staff and equipment to carry out training, and whether the employer is in compliance with federal, state, and local laws are factors to consider when completing the Pre-Award Application.

OJT Pre-Award Application

The LWDB Staff, Title I Staff, and BST members can collect the OJT Pre-Award Application Form and verify employer documentation:

- Layoff status
- Collective bargaining coordination
- Workers' compensation and liability insurance policies
- Job descriptions/SOC codes for all OJT positions
- Facility compliance and capacity to conduct training
- Grievance procedures

The Pre-Award Application can be completed by the employer or by Workforce Staff as a guided interview then signed by the employer upon review. The Pre-Award Application contains informational items designed to trigger discussion about the employer's workforce needs. Some items in the Pre-Award Application are regulatory and could prevent an OJT from happening if an irresolvable problem surfaces. When an employer signs the form, they are attesting to the validity of the information on the form.

This form must be signed by the Company Representative, AJC Staff, and LWDB Staff before the initiation of any OJT with the participating employer. The Pre-Award Application will be retained in an employer master file and uploaded to the documents tab in the Jobs4TN employer profile. The OJT Pre-Award Application is included in the OJT Master Agreement for reference. Pre-Award Application, along with supporting documentation, is submitted to setworks@sedev.org. Supporting documentation includes:

1. certificate of liability,
2. job description(s).

Employer Eligibility

Businesses in the public sector, private-for-profit businesses, and not-for-profit organizations are eligible to OJT reimbursement. Businesses that meet the following criteria are considered eligible:

- ✓ Physical location is in Southeast Tennessee LWDA.
- ✓ Business has legally operated in current location for 120 days or more.
- ✓ Business has not experienced any layoffs in the past six months.
- ✓ Business maintains Workers Compensation Insurance.
- ✓ Business agrees that no trainee can be employed or job opening filled when: (a) any other individual is on lay-off from the same or substantially equivalent job, or (b) the employer has terminated the employment of any regular employee or otherwise reduced its workforce with the intention of filling the vacancy created by hiring a trainee whose wages are subsidized under this agreement. OJT employees cannot replace positions that have been or will be laid off.
- ✓ Business adheres to all applicable labor laws and regulations, maintain workers compensation and liability insurance, and agrees to the conditions as outlined in the pre-award application and master agreement documents. Staff should be familiar with these conditions so that they can answer employer questions and assess compliance during the screening process.
- ✓ Business must have an active account on Jobs4TN and post OJT openings through the Jobs4TN labor exchange tool.

Prohibitions

1. Business cannot enter into OJT contract if, under previous WIOA contracts, they exhibit a pattern of failing to provide participants with continued long-term employment with wages and benefits and working conditions at the same level and to the same extent as similarly situated employees. Service Provider Staff must maintain retention information as part of follow-up procedures on all OJT participants.
2. Business understands that no immediate family member of the business owner or the trainee's direct supervisor may be hired under this agreement. Family members include: wife, husband, son, daughter, mother, father, sister, brother, mother-in-law, father-in-law, brother-in-law, sister-in-law, son-in-law, daughter-in-law, stepparent or stepchild, or significant other.

3. As this agreement is subject to provisions providing for separation of church and state, trainees may not be employed for or engaged in the construction, operation or maintenance of any facility used for religious instruction or worship.
4. No OJT activity may be undertaken without the written concurrence of the labor organization and employer concerned.
5. OJT funds cannot be used for political activity, lobbying, or to promote or oppose union organizing.

OJT Master Agreement

The OJT Master Agreement sets the ground rules for OJT with an employer and functions as a nonfinancial agreement between the employer and the LWDB. The OJT Master Agreement contains all common OJT rules and requirements and is the pre-requisite for approval of Addenda as individual contracts to reimburse the employer for training a specific participant in an occupation. Southeast Tennessee Local Workforce Development Area dollars are obligated as participant Addenda are approved. This approach radically decreases employer paperwork and is identical to the approach used for WIOA-funded classroom training. Care should be taken to ensure that:

- The Master Agreement is updated at least once a year from the date of first issuance, when any other major changes affecting training, hiring or job retention occur, and/or when the business is sold or transferred.
- The Master Agreement will be completed after finalizing the OJT Pre-Award Application and resolving any regulatory issues that may have surfaced.
- The Master Agreement and OJT Requirements should be reviewed and discussed with the employer as part of an orientation to the OJT process to ensure the employer understands the intent of the agreement and the restrictions that apply.
- If the employer has entered into OJT in the last PY year, the prior success rate must be at or higher than 70%. For employers whose retention rate is below 70%, an acceptable corrective action plan must be in place prior to renewing an OJT Master Agreement.
- The Master Agreement is effective for no more than one year. Regardless of the contract start date, all contracts are renewed at the end of the program year. For example, agreements entered into on February 1, 2023 will be in effect until the end of the program year on June 30, 2023. Agreements with employers must be renewed at that time.

This Master Agreement must be signed by the Company Representative, AJC Staff, and LWDB Staff before the initiation of any OJT. AJC Staff will submit to LWDB for review/signature by email to setworks@sedev.org. LWDB Staff will issue a Master Agreement number to the employer and enter this into Jobs4TN as an OJT Contract in the 'Contracts' tab of the 'Provider Programs' folder. The fully executed Master Agreement will be retained in an employer master file and uploaded to the staff documents tab in the Jobs4TN provider profile.

Trainee Recruitment

An unfulfilled demand for skilled workers by an employer or industry sector may result in a targeted effort by the local area to recruit appropriate trainees. Candidates can also be identified from participants already enrolled in WIOA and partner programs, including those already enrolled in other training activities.

The search to fill current OJT positions is coordinated through the Business Services Team and referrals from partner agencies such as Wagner Peyser, Vocational Rehabilitation, Adult Education, Community Colleges, community-based organizations, or through direct application to OJT job orders are encouraged. AJC Staff can promote opportunities through social media, coordinated through the One Stop Operator to ensure compliance with EO guidelines and branding approval.

Reverse Referral

An employer may refer an applicant for a vacant position in order to determine whether the applicant is eligible for WIOA and appropriate for OJT. This is an allowable practice under WIOA. AJC Staff must determine that an OJT is appropriate based on these criteria:

1. The applicant has basic and work readiness skills to be successful in job training,
2. The applicant lacks adequate experience or job-specific skills necessitating on-the-job training, and
3. There are no violations of any conditions outlined in the Master Agreement.

Once AJC Staff determine OJT is appropriate, eligibility determination must be made and enrollment process completed prior to employment. No period of employment is allowed prior to the execution of the Master Agreement and Addendum.

Sequence of Services

OJT is not appropriate as an initial activity for all participants. Although some may be ready for training in occupational skills immediately upon enrollment into WIOA Title 1 services, others may benefit more from initial activities that focus on basic skills and/or work readiness prior to consideration for OJT. WIOA has no requirement that career services (other than assessment and IEP/ISS development) be provided as a condition of receipt of training services, Career Services Staff must clearly document the participant's readiness and justification to provide OJT immediately upon enrollment into the WIOA Title 1 program. For some individuals, basic and work readiness skills can be taught effectively at the same time through integration of work readiness training into the OJT training plan or concurrent enrollment into other WIOA-funded training services. When occupational skills training is indicated for a participant, the individual's employment goal must be factored into the determination of whether OJT is the most effective activity. For some occupations, specifically those requiring some form of state/industry certification, ITA may be a more suitable approach.

OJT Hire

Once the employer has selected a candidate to fill an OJT position, an Addendum must be completed and signed by all parties on or before the hire date. The Addendum is the document that obligates training funds for a specific trainee and outlines the planned training activities to be accomplished during the training period. It constitutes a financial obligation between the workforce agency and the employer to reimburse for the delivery of training. The employment training plan is the core of the addendum, serving as the work statement of the contract, specifying what is being 'purchased' and written so that all parties can determine if what is being 'purchased' has been 'delivered'.

In addition to the Employment Training Plan, the Addendum must include:

- ✓ Trainee information: full name, contact information, VOS ID, last four of SSN
- ✓ Employer information: worksite location
- ✓ OJT information: total training hours, start and end date, weekly hours worked, hourly wage, maximum reimbursement, supplies/tools needed
- ✓ Occupation information: job title, description, SOC code
- ✓ Signatures from company, AJC staff, participant

Staff should complete the addendum in coordination with the employer so that both parties understand the limits and expectations of the training.

Local policy limits on-the-job training contracts to a maximum of 400 hours or \$5,000, whichever number is reached first. Staff will use the Training Hours Methodology to determine the length of training for each participant entering into OJT. The amount of time needed to help an individual gain the knowledge, skills, and abilities to succeed in an occupation depends on several factors:

- Prior, recent related work experience
- Employment-related education
- Barriers to employment

An OJT must be limited to a set period of time required for a participant to become proficient in the occupation for which training is being provided. In determining the appropriate length of the contract, consideration must be given to the skill requirements of the occupation, the academic and occupational skill level of the participant, prior work experience, and any disability, limited English proficiency, lack of basic literacy and math skills, or other major barriers to employment retention. Strong assessment and plan development processes will serve as justification of need for training and support the completion of the Addendum. There are two parts to the addendum that will determine total number of fundable OJT hours for a participant:

Training Hours Methodology

This part of the addendum identifies how many total training hours a participant is eligible to based on their prior work experience and education. Staff will utilize the table (shown below) and the participant’s IEP/ISS to determine if relevant experience and education will limit available OJT hours. Staff will find the row that matches the participant’s education completion level and then finds the column associated with recent, related work experience to determine maximum allowable OJT hours available.

Training Hours Methodology – highlight or circle maximum allowable training hours					
Education Level	Years of Relevant Work Experience				
	0 – 3	4 – 6	7 – 9	10 – 15	15+
H.S. Diploma or Equivalency	400	400	360	320	280
Certificate (in related field)	400	400	360	320	280
Associate’s Degree	400	360	360	320	280
Bachelor’s Degree	400	320	320	280	240
Master’s Degree	400	320	320	240	200

Staff will highlight or circle that total maximum allowable training hours and keep that in mind when working through the Employment Training Plan with the employer.

Employment Training Plan

This part of the Addendum determines how many hours are required for the trainee to acquire the skills they do not already possess. This requires an analysis of the job description to outline the jobs skills required by the employer in the OJT occupation. Then an assessment of the trainee’s current skill level is made. The resulting gap in skills is the basis for the number of hours required (within the maximum allowable from the methodology chart) to bring the trainee to full proficiency in the role.

Identifying Skill/Competency Areas

Staff will work with the employer to determine what specific skills/competencies/tasks must be mastered to be fully proficient in the OJT occupation. These will be listed out with a goal capability level to achieve to meet employer expectations. The job description is the appropriate tool to use to complete this portion of the Addendum as it is the basis for performance evaluations and how employers typically evaluate success on the job.

Each skill description should be concise, and the individual tasks should be measurable and observable.

Determining a Trainee’s Skill Level

Next, review with the participant their current proficiency in each area. This will be assessed as not skilled, some skill, or skilled.

Estimating Training Hours

The employer will determine how long it will take the trainee to become proficient at each item based on the trainee's current skill level. This will determine total length of the training plan. This is an individualized process. Trainees who are skilled in specific tasks/competencies will require less training hours to gain proficiency than those who have no skill.

To get an accurate estimate of needed training hours, the Employment Training Plan should be completed in this order:

- 1 – Skill/Competency to Learn
- 2 – Goal Capability
- 3 – Initial Assessment
- 4 – Estimated Training Hours

Employment Training Plan			
Skill/Competency to Learn (job description tasks):	Initial Assessment	Goal Capability	Estimated Training Hours
	Not Skilled ▾	Beginning ▾	
	Some Skill ▾	Intermediate ▾	
	Skilled ▾	Advanced ▾	

To streamline the process for employers, staff can obtain training hours needed for each of the entry skill levels in advance of the participant self-assessment and then fill in the final column prior to obtaining the employer's signature.

Any training time in excess of the maximum allowable will not be reimbursed.

Once an Addendum is fully executed, staff will upload it to the Staff Documents tab in the employer's provider profile saved with the file following naming convention:

MA#_Addendum#_Participant Last Name_YY.MM.DD(OJT start date)

OJT Addendum Modification

Modifications to the OJT Addendum may be executed as needed. The most common modification is extending the training period. The second most common modification is changing the Addendum because of a shift in work conditions, new work duties, or a position change. If the plan modification will result in a change in the amount of time need to complete, a modification request must be submitted to Title 1 Manager and LWDB Staff for approval.

The Addendum should be modified before expiration only if there are major changes at the employer (such as layoffs) or rule or policy changes prior to the agreement's expiration.

OJT Case Management

At minimum, bi-weekly contact with the training supervisor and participant is required to ensure that needs are met and to mitigate and barriers to successful completion. Staff will case note this contact; case note will include a progress update, successes, needs, and efforts made by staff to remedy any barriers.

OJT Evaluations

Two evaluations are required. One in the middle and one at the end of the training period, the Evaluations should be used to document the participant's skill gains. For an OJT to be considered successful, the participant must have sufficiently learned the skills included in the plan to retain employment.

Ideally, a participant should meet the employer's standards for each skill. In some situations, however, the participant may not have fully met every skill listed in the plan, but the employer has made a concerted effort to provide training and wishes to retain the participant and continue working on skill development.

OJT Evaluation forms must be signed by both the supervisor and the employee and submitted to AJC Staff promptly. It is likely that the Training Supervisor/Employer will need to be reminded of this OJT requirement, so AJC Staff need mechanisms in place to keep track of timelines and due dates.

Measurable Skills Gain

Adults and Dislocated Workers with an open 301 activity code in a program year are included in the MSG performance indicator. If the service spans multiple program years, then the participant is in the measure each year, regardless of how long they participate during a given year. Youth OJT is considered a work experience activity and does not trigger inclusion in the measurable skills gain indicator.

Ending an OJT Early

If the trainee's employment is terminated during the training period, the employer can be reimbursed only for 50% of the wages earned during training, prior to separation, regardless of the reason for separation.

Staff need to advise employers on the impact of being reimbursed for a terminated OJT. If a reimbursement is made, that trainee will factor negatively into the employer's retention rate. If the employer chooses not to seek reimbursement, staff will VOID the OJT activity in Jobs4TN.

A discussion with the employer is advised any time an OJT ends early to determine if workforce staff processes need to be modified to set up the employer and future participants for success.

Closure/Payment

Payment is made to the employer only after the OJT end date to compensate them for the "extraordinary costs" associated with training participants. Employers are not required to document these extraordinary costs. However, they are understood to include costs resulting from:

- More intense supervision;
- Above average material waste;
- Abnormal wear on tools;
- Down time; and
- Lower rates of production.

AJC Staff will obtain the necessary documentation from the employer within two weeks of the final date of training (end date listed on OJT Addendum or termination of the employee/employer relationship):

- Employer time sheets
- Payroll records that verify hourly wage and first date of employment
- OJT Final Skills Evaluation

Once these documents have been received, AJC Staff will prepare the OJT Invoice Form and submit to LWDB via email to setworks@sedev.org for processing.

Payment Terms

- Payments to the employer by Southeast Tennessee Local Workforce Development Area shall not, under any circumstances, exceed the agreed upon percentage of **regular "straight time" wages** paid to the trainee during the training period.

- Reimbursement requests for hours worked under the OJT Addendum will be honored as long as such requests are received within the time frame specified in the OJT Master agreement. Requests received after the cut-off may not be honored for payment.
- Trainees are to be paid by the employer on the basis of a standard workweek. A standard work week is defined as the given number of hours worked each week by most employees of the employer in the occupational area in which training is being conducted. **Overtime premium will not be reimbursable**; however, Southeast Tennessee Local Workforce Development Area may pay for straight hours worked, which will reduce the contract balance proportionately.
- The Southeast Tennessee Local Workforce Development Area encourages periodic pay increases, based on the employer's policy regarding pay increases, during the duration of the agreement. **Pay increases will not change the maximum reimbursement amount** on the Addendum.
- Training payment will not be made during periods of time in which no training has occurred, so **holidays, vacations, and sick days are not reimbursable**.
- In the event that the Southeast Tennessee Local Workforce Development Area determines funds were paid under this agreement that were not in compliance with local, state or federal law, the **employer will be liable for repayment** of such funds. Such repayment shall occur within 30 days of the employer's receipt of written notification of the need to make repayment.

LWDB Staff will voucher out payments in Jobs4TN, cut and disburse checks, and upload supporting documentation to the Staff Documents section of the employer's provider profile tab.

Monitoring

All OJT Contracts are subject to local and state monitoring for performance, appropriate duration, non-discrimination, and financial activities. Monitoring and evaluation of the program plays a critical role in ensuring the goals of OJT are achieved. Monitoring will include:

1. Desk review of participant and employer files, invoicing paperwork, and Jobs4TN data entry.
2. Completion of monitoring survey forms: Employer, Trainee, Payroll Records.
3. Annual worksite visits to ensure all OJT requirements are met.

Monitoring is the responsibility of State and Local staff, primarily LWDB team, although the duty may be assigned to another entity or individual.

EXCEPTIONS

As noted throughout this manual, from time to time a trainee or work conditions may not fit the OJT model. Exceptions should not become the norm but may be made when appropriate. Recognized exceptions include:

- Training is critically needed, and results can be measured, but it may be for a very short or a very long period of time. In this instance, the minimum or maximum OJT training length may be waived, as long as the maximum number of hours under state policy is not exceeded.
- The employer did a good job of training but may not qualify for all or part of the OJT reimbursement because the trainee quit or was fired for just cause.
- A trainee's individual circumstances should be considered. For example, the OJT length or amount may be adjusted to reasonably accommodate learning or other disability, as long as the maximum number of hours under state policy is not exceeded.
- All exceptions should be documented and noted in case notes **before** the end date of the training plan.

OJT RETENTION

Employers must maintain a retention rate of 70% or above for all OJT trainees. This is to ensure our programs are meeting expected performance outcomes and that we are delivering services that positively impact our participants.

Consideration should be made for positive turnover; employers will not be penalized for providing adequate on-the-job training and then losing employees who use that training to secure higher paying jobs or advancement opportunities elsewhere. When low retention rates are attributed to poor working conditions, inadequate training, or termination for cause, AJC Staff should notify LWDB Staff immediately so that a conversation can be had about how to address these issues with the employer.

Tracking will occur in two ways:

1. Through shared spreadsheet available in the 'Staff Resources' section updated by LWDB Staff during the invoicing process.
*When an employee leaves or is terminated BEFORE the OJT end date, the employer will be reimbursed wages based on hours worked at the time of departure from the program. Anyone with in **RED** with an **NLE** date means the employer did get reimbursed but the employee did not complete the OJT program and is no longer employed. Since the employer **DID** receive wage reimbursement for these employees, they are a negative on performance.*
2. Through quarterly follow-ups entered into Jobs4TN by Title 1 Staff for the one-year period following program exit.

WIOA Retention is monitored during the OJT timeframe and through the first year after the OJT completion end date.

JOBS4TN DATA ENTRY

All staff activities and progress made toward OJT recruitment, placement, and follow up will occur in Jobs4TN. Listed below is the location/type of Jobs4TN entries required at each phase in the OJT process.

Employer Outreach

Entries recording marketing and general outreach to employers will be recorded in the employer profile. Appropriate codes to use include (entry should be made for every contact, with a status summary keyed into the 'comments' section):

E07: Promotional Call

E10: Employer Services Training

Entries to record job development services to a business on behalf of a specific participant will be entered into the participant's Title 1 activity (case notes should be entered with a status summary)

123 – Job Development Contacts

Pre-Award Application & Employer Eligibility

Employer Profile – Case Note

Enter summary case note of needs assessment and eligibility for OJT; upload Pre-Award Application and corresponding documentation (certificate of liability,

Master Agreement

The Provider Profile will be used to attach the participant activity code and enter voucher/payment details.

Create a Provider Profile – Staff will search for a provider profile for the employer. If the employer (provider) is not found, staff will need to create a provider profile.

Under Provider Type details, select the checkboxes for PS – OJT and CS – OJT

Trainee Recruitment

Employer Profile - Create an OJT Job Order

Human Resource Plan → Job Order Plan → Job Orders → Add a Job Order

OJT is eligible to employers who have an active job order in Jobs4TN. This can be completed as direct entry by employer users or staff-assisted entry.

Employer Profile – Record Services

Staff's Profile → Case Management Profile → Activities → Service Plan → Add Service

Entries recording staff-assisted recruit-screen-refer services with comments to include name(s) of participants service will be record in the

E04 – Provided Recruitment Services

E08 – Reviewed Resumes and Referred Eligible Individuals

E90 – Refer Qualified Candidates

OJT Hire

Participant Profile – activity code 301/428

Record Addendum number in 'Comments' section of the General Information tab

Provider Profile – Documents (Staff) – Add a Document

Document Tag: Addendum #xxx

OJT Closure/Payment

Vouchers are processed through the Participant Profile under the corresponding activity (301/428) using the Budget Planning tab.

Include the Addendum number in the 'Ref#' section of the voucher.

Monitoring

Upload monitoring documents to the Provider Profile – Documents (Staff) – Add a Document

Remainder of page left blank

FILE DOCUMENTATION CHECKLISTS

All documentation related to the development of the participant's OJT will be kept in the participant's electronic and hard file. The file should contain all required eligibility and service documentation plus, at minimum, these OJT-specific forms:

OJT Participant File Documentation

Assessment

ISS/IEP – determination of need for training, suitability for OJT, potential supportive services needs to successfully participate in OJT

Addendum

Job Description

OJT Evaluation Forms

Quarterly Follow Ups

Case notes

Justification for OJT position/industry

Bi-weekly progress updates

Evaluation summaries (mid-point and final evaluation)

Quarterly Follow Up/Retention Status

The local agency holding the funds for OJT are required to keep a file on each OJT employer. The file will contain, at minimum, the following forms:

OJT Employer File Documentation

Pre-Award Application Form

Valid Certificate of Liability

Job Descriptions

Master Agreement

Contract-Specific Documentation (per participant)

OJT Addendum

Modification, if applicable

Mid-Point Evaluation Form

Final Evaluation Form

Invoicing Documents

Time Sheets

Payroll Records

Invoice Form

Copy of Check

Retention Rate Tracking Sheet

Corrective Action Documents, if applicable

REFERENCES

STLWDB On-the-Job Training Policy

<https://www.secareercenter.org/www/download/129.143>

TN DLWD Business Services Staff Manual

https://www.tn.gov/content/dam/tn/workforce/documents/ProgramManagement/Business_Services_Manual.pdf

TN DLWD Work-Based Training Guidance

<https://www.tn.gov/content/dam/tn/workforce/documents/wfs/WFSGuidanceWorkBasedTraining.pdf>

WIOA Regulations at 20 CFR, parts 650 and 680

[TEGL 19-16](#), “Guidance on Services provided through the Adult and Dislocated Worker Programs under the Workforce Innovation and Opportunity Act (WIOA) and the Wagner-Peyser Act Employment Service (ES), as amended by title III of WIOA, and for Implementation of the WIOA Final Rules.”