


**Date:** August 17, 2011

**To:** Pacific Gateway Staff  
Pacific Gateway Sub-Recipients

**From:** Bryan S. Rogers   
WIB Executive Director

**Subject:** **POLICY MEMORANDUM: WDB- 32**  
**ON-THE-JOB TRAINING – ARRA NATIONAL EMERGENCY GRANT**

### **EFFECTIVE DATE**

This policy is effective upon date of issuance.

### **PURPOSE**

The purpose of this policy is to provide direction regarding the administration of On-the-Job Training agreements by Pacific Gateway Workforce Investment Network (Pacific Gateway) for Dislocated Workers participating in the ARRA-funded National Emergency Grant (NEG) project.

### **POLICIES AND PROCEDURES**

#### **Definition**

Under the NEG, On-the-Job Training (OJT) is defined as training that is provided to a paid participant while engage in a productive job that provides knowledge or skills essential to the full and adequate performance of the job. Reimbursement to the employer may be up to 90 percent of the wage rate, depending upon employer size and/or participant skill level, for the extraordinary costs of providing the training and additional supervision related to the training.

#### **NEG OJT Policy and Limitations**

- a) NEG OJTs may not exceed 6 months and are limited in duration to the occupation for which the participant is being trained.
- b) NEG OJT contracts may only be written with private non-profit or private sector employers (public sector employers, casinos or other gambling establishments, swimming pools, aquariums, zoos, or golf courses are not eligible).
- c) NEG OJT contracts may not be entered with an employer who has:
  1. 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;
  2. Relocated all or part of their business from any location in the United States until the company has operated at the current location for 120 days, if the relocation has resulted in any employees losing his or her jobs at the original location;



3. Has laid off individuals from the same or substantially equivalent job; or
  4. Has terminated the employment of any regular employee with the intention of filling the vacancy with an OJT participant or if the OJT position infringes on the promotional opportunities of currently employed employees.
- d) The OJT reimbursement amount is a negotiated percentage of the wage being paid to the participant, which **may not exceed a percentage (up to 50% through 90% as described below) of the State's average hourly wage (\$23.82).**
- e) Unless an exception is approved as noted below, the reimbursement percentage will be based on the employer's size as follows:
- Up to 90% of the participant's wage rate for employers with 50 or fewer employers;
  - Up to 75% for employers with 51 to 250 employees; and
  - Up to 50% for employers with more than 250 employees.

***\*If the employee's wage is higher than \$23.82, the above percentages will be applied to \$23.82.***

Exceptions: If the skills analysis noted in item g. below indicates a large gap between the skills needed by the employer and the skills of the individual, thus requiring extraordinary training, a sliding scale allowing adjustment to the reimbursement rate of up to 90% will be utilized. Refer to (g) Skills Analysis section below.

- f) Program Specialists, in consultation with the employer, will be responsible for identifying both the applicable occupation title using O\*Net and the corresponding Specific Vocational Preparation (SVP) Code. The following chart depicts the maximum length of a NEG OJT by SVP Code:

SVP Code	Maximum OJT Length
1-2	90 hours
3	260 hours
4-9	525 hours

- g) Skills Analysis: Utilizing VOS, Program Specialists will conduct an analysis of each individual's skills and background relative to the agreed upon skills and tasks required by the employer. Through the VOS skills match, the Specialists will evaluate skill levels and abilities and the task completion needs of the employer. Through this analysis, OJT activities that will lead to enhanced skills will be determined and will be outlined on the Training Section of the NEG OJT Training Agreement (**Attachment B**)

Step One - Program Specialists will obtain a detailed job description from the employer. The Program Specialist will assist the employer in the development of a job description for the potential OJT if the employer does not have one.

A Search of O\*Net will be conducted to find the job description that most closely describes the actual position for which the OJT agreement is being developed at <http://online.onetcenter.org>.

Step Two – Program Specialists will obtain assessment data (through questionnaires, surveys, interviews, etc.) to determine the background skills, education, work history and level of knowledge for the specific job.

Step Three – Program Specialists and/or candidate will enter the results of the individual's skills assessment into VOS and run a comparative analysis / skills match against the O\*Net job description.

Sliding Scale: A VOS-generated skills match score of 60% or greater will result in an OJT reimbursement rate consistent with the thresholds specified in Item e., above. A skills match or less than 60% will be considered a large gap and warrant extraordinary training. Therefore, in these instances, the OJT reimbursement rate will be adjusted by 10% for every 10% below the 60% skills match score (up to a maximum of 90% reimbursement).

Step Four – The results of the task analysis will be included in the individualized OJT training plan. The employer will agree to inform / educate the candidate on tasks, show or demonstrate each task, perform each task and then have the OJT candidate perform the tasks with coaching and instruction. The employer / instructor will use the OJT Checklist to identify / certify that the candidate has observed, learned and performed each task on the checklist.

- h) Participant eligibility will be limited to dislocated workers as defined in WIA Section 101(9) who has been laid off since January 1, 2008 and are unemployed beyond California's average UI duration (21.5 weeks).
- i) The "Priority of Service" criteria established by the California Employment Development Department is as follows:
  - The first priority will be individuals not covered by UI and unemployed for 99 weeks or longer after January 1, 2008. Veterans and participants with the greatest barriers to employment are to receive priority of service.
  - The second priority will be individuals who have been unemployed and/or receiving UI benefits and have been unemployed for 21.5 weeks or longer.

***Note that veterans are to receive the highest priority of service among all OJT NEG eligible participants.***

## **Procedures**

1. Prior to initiating the OJT, Program Specialists will be responsible for determining the eligibility of both the employer and participant. In addition, the Program Specialists, in consultation with the employer, will be responsible for identifying the size of the

employer, the applicable occupation title using O\*Net, and the corresponding Specific Vocational Preparation (SVP) Code.

2. Using data derived from the initial assessment and one-on-one interviews, the Program Specialist will be responsible for making adjustments to the length of the OJT taking into consideration the participant's prior experience and skills. At the point a participant is deemed appropriate for a specific OJT contract opportunity, the Program Specialist will conduct an in-depth, one-on-one interview with the participant to determine their specific skills and abilities relative to the employer's specified needs for the job. The results of this review and the determination of the OJT length will be documented in the IEP.
3. **OJT Fiscal Authorization (Attachment A):** An OJT Fiscal Authorization form (Attachment A) must be completed for each participant planning to participate in an OJT activity. Fiscal Authorizations must be authorized prior to the participant starting training. Any changes to the Authorization must be submitted through a modification. This would include changes to the start/completion date, funding source, etc. A new Authorization form must be completed if the training provider changes. The original form must be forwarded to the Operations Unit to be maintained with the OJT Agreement (**Attachment B**).
4. **OJT Agreement (Attachment B):** An OJT agreement is required for every participant entering into a NEG OJT. The Agreement details the specific guidelines that must be followed by both the employer and Pacific Gateway. All information requested in the Agreement must be fully completed and approved by the Program Specialist as well as the employer, prior to the participant starting training. The original form must be forwarded to the Operations Unit to be maintained with the OJT Fiscal Authorization.

#### **OJT Site Monitoring Reports**

OJT agreements are required to be monitored by the Program Specialist who coordinated the OJT, on-site upon reaching the first quarter of the total hours allotted for the training agreement. Monitoring will ensure that the training is being provided as specified in the on-site Agreement and ensures that any issues identified through an on-site visit may be resolved within a sufficient amount of time. The original monitoring report must be provided to the Quality Assurance Unit.

In addition, to ensure that the participant is making progress during the training phase of the OJT, Program Specialists will track the participant's progress through scheduled performance reviews on a monthly basis. Progress may be evaluated by on-site visits, employer evaluation, and employee self evaluation, the results of which must be documented by notation in the participant's e-file or other means as appropriate.

5. **Certificate of OJT Program Completion, Achievement of Recognized Skill Standards, and Placement (Attachment C)**

Upon satisfactory completion of the OJT program, a copy of the OJT Program Completion, Achievement of Recognized Skill Standards, and Placement form must be completed and signed by the employer and participant. The form must be attached to the

Check Disbursement Request form when requesting reimbursement to the OJT employer. Employers will not be held responsible for unsuccessful termination(s) and/or retention(s) through no fault of their own. The Operations Unit must maintain a copy of the forms with a notation made in the participant's e-file.

**REFERENCES**

Training and Employment Notice 38-09

WIA Sections 101(9) and (31)

20 CFR Part 652 et al. (WIA Final Rules)

EDD Directive WSD10-12 On-the-Job Training National Emergency Grant Requirements

**CONTACT**

Should you have any questions regarding this Policy Memorandum, please contact Judy Chen-Lee at (562) 570-3732; TTY (562) 570-4629.

Thank you.

BSR:kcn:mh