



Streamlining of On-the-Job Training and Overview of Regional Business Services Pilot Project

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Topics Covered

- History of OJT in Portland area
- Streamlining of Processes
- OJT Fundamentals
- Pilot Project
- Lessons Learned

OJT History in Region

- Very underutilized since WIA authorization
- No Policy in the region
- Realization four years ago that OJT could be a valid training vehicle
- Workgroup formed for policy development and streamlining of process



OJT Research

- OJT Workgroup used existing policies and procedures to create our own
- OJT Development Manual:
Bellingham, WA
- OJT Policy: Adopted Mississippi Model
- John Chamberlin
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Streamlining of Processes

Three components to streamlining processes:

1. 2 payment periods
2. Umbrella OJT Agreement
3. Creation of Employer Checklist

OJT Contract Package

- On-the-Job Training Employer Checklist
- On-the-Job Training Agreement and Rules
- On-the-Job Training Plan and Instructions

Business Qualification (Employer Checklist form)

- Payroll system, available for review
- Workers Compensation
- Trainee cannot be “independent contractor”
- If under collective bargaining agreement, Union concurrence with OJTs
- No employees in layoff status from the same or substantially equivalent position
- No relocation from another market where employees were laid off (requires 120 waiting period)
- If provided OJTs before, must have a 75% retention rate for trainees
- Cannot apply another subsidy to employee during training period (WOTC)

On-the-Job Training Agreement

- One per business
- Is the contractual agreement between the WIA service provider and the business
- Non-Financial – Does not obligate training funds

On-the-Job Training Plan

- One per trainee; may be multiple under one agreement
- Is the financial component – obligates the funds for the training
- Is the document that defines the training parameters – what we are “purchasing” from the business

Reimbursement

- Business is reimbursed for 50% of the trainee's wages during the training period, up to \$5,000
- One-half of the payment is made at the end of the training period upon successful completion of the training plan
- One-half of the payment is made at the end of 90 days if the trainee is still employed and working 30 hours or more each week

Sample OJT

For this example we will say that a business needs an employee that can operate a furnace to manufacture silicone ingots for solar power. Entry level furnace operators are paid \$12.50 an hour. If it is determined that it takes 3 months of on-the-job training for a candidate with a manufacturing background to reach the level of an entry level furnace operator the OJT would look like this:

Sample Training Goals:

- Learn specific temperatures and times for silicone crystal growing
- Ability to operate and understand furnace functions
- Ability to operate furnace at a level efficient enough to meet production goals

OJT Training Period Duration: 3 months (13 weeks)

OJT Wage: \$12.50 an hour at 40 hours a week

OJT End of Training Period Reimbursement: \$1625.00 (see breakdown below)

Wages paid during training period=\$6,500

50% of wages paid during training period=\$3,250 (OJT commitment)

Half of OJT commitment =\$1,625 (OJT End of training period reimbursement)

End of Retention Period (90 days of regular employment after training period) Reimbursement: \$1,625.00
(see breakdown below)

The remainder of the OJT commitment



Supplemental Forms

- On-the-Job Supplemental Training Plan
- On-the-Job Training Plan Modification
- On-the-Job Training Invoice – Training Period
- On-the-Job Training Invoice – Retention Period
- On-the-Job Training Exceptions

OJT Fundamentals

- OJT is a hire-first program; additionally, the business commits to retaining the trainee upon successful completion of the training plan
- The business is reimbursed for 50% of a trainee's wages during the training period
- Reimbursement is compensation to the business for the extraordinary costs associated with training participants and the lower productivity of the participant during the training period



OJT Fundamentals

- OJTs can be provided for new employees referred by the WIA program to the business, or by the business to the WIA program
- Training that is provided under the OJT must be separate and different from “training and orientation” that the employer routinely provides to new employees
- All trainees must be treated in the same manner as non-trainee employees
- OJT training plans are specific to the trainee



Region 2 OJT Standards

- Job pays a wage of \$10 or more an hour and provides 30 hours or more of work each week
- Job provides a benefit package that includes at least medical insurance with an employer contribution toward premiums
- Annual limit of \$5,000 per training plan
- Minimum training duration of 4 weeks; maximum of 26 weeks
- The position cannot be temporary and must be expected to last at least a year
- Exceptions can be granted on a case-by-case basis



Regional Business Services Pilot Project

Bring Back On-the-Job Training (OJT)



Concept

- Regional Model
- Resource to Business
- Industry Specialization
- Recruitment

Lessons Learned

- Need staff dedicated to OJT
- Lots of grey area
- Regional boundary issues
- You can't make everyone happy

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