



## **FREQUENTLY ASKED QUESTIONS**

### **ABOUT THE ON-THE-JOB TRAINING PROGRAM**

These FAQs answer the questions most often asked by those looking into the On-the-Job Training Program (the “OJT Program”).

#### **1. What is the OJT Program?**

The OJT Program provides reimbursements to employers to help compensate for the costs associated with skills upgrade training for newly hired, full-time employees. The OJT Program can assist employers who are looking to expand their businesses and who need additional staff trained with specialized skills. OJT Employers may receive 50% of the wage rate of OJT Trainees up to a maximum of \$6,000 per OJT Trainee to help defray personnel training costs. Employers may apply for as many OJT Trainees as needed, although not all applications are guaranteed to be approved.

#### **2. Is the OJT Program right for my company?**

The OJT Program may or may not be a good fit for your company. Even though the federal government will partially subsidize the cost of an OJT Trainee’s wages during the time of training, OJT Employers are still responsible for some expenses such as any instructor and training material costs. Our staff will be happy to assist you in making a determination as to whether the OJT Program can be an advantage to your company and an asset to the regional workforce, both of which are important elements of any award. A winning combination occurs only when the OJT Employer (that would be you) and the OJT Trainee (that is someone enrolled in work2future’s Workforce Investment Board program) each receive benefits from an OJT Program arrangement.

#### **3. What’s in it for my company?**

Your company will have the opportunity to expand and obtain access to a significant number of trained potential employees. In addition, the training wages of those individuals are partially subsidized by the government.

#### **4. Are there any restrictions?**

OJT funding is targeted at specific groups from which work2future will identify potential candidates who appear to match or exceed your minimum requirements. Two groups currently are the focus of OJT:

- work2future clients who were laid off after January 1, 2008, and have been unemployed for at least 21.5 weeks and preferably more than 99 weeks.
- Former employees of NUMMI.

You must agree to hire any OJT Trainees as permanent, full-time employees. The final reimbursement for an OJT Trainee's wage subsidy (10%) will not occur until the OJT Trainee has been retained in employment for a period of at least ninety (90) days from the end of the OJT Training period. The rate of pay and benefits following training must be commensurate with what you pay others doing similar work.

You may not use OJT Program funded trainees to replace employees laid off within six months prior to the date of your application. In addition, certain limited industries (e.g.: gambling) and companies who have relocated recently are unable to take advantage of this program.

work2future staff can assist you in determining whether a restriction applies to you and how it could impact your eligibility. The work2future staff will also assist you in planning your intended OJT Program and can help you understand these limitations.

**5. How will my company's OJT Program staffing needs be met?**

As the OJT Employer, your company will determine the selection criteria for OJT Trainees (e.g., "greater than 8<sup>th</sup> grade math ability," "English-Spanish bilingual ability," or any other applicable criteria). Then, work2future will identify candidates who meet the criteria and will refer those clients to your company. Your company will decide the final selection of OJT Trainees.

**6. Are there any certification requirements for OJT Trainees?**

After successfully completing an OJT Program, each OJT Trainee needs to be issued either a nationally or an industry recognized degree or certificate in the specific field of training. In some cases work2future will accept a company statement documenting that training has been performed such that the trainee may take to future job interviews.

**7. What expenses may be covered by OJT Program funds?**

Up to 50% of an OJT Trainee's hourly base wage for hours spent in actual training for a period not to exceed six months and not to exceed \$6,000 per OJT Trainee is reimbursable. Compensation will be limited to \$23.82 per hour.

**8. What expenses cannot be covered by OJT Program funds?**

Non-reimbursable expenses include wages based on overtime, shift differentials, premium pay, sick pay, holidays, plant shutdown, or other events or hours when no training occurs; textbooks and manuals; and any tuition or registration costs or fees. Only hourly positions are eligible for an OJT Program, no salaried or commission-based wages are reimbursable. Third party training provider costs are not reimbursable.

**9. How do we start the process of applying for OJT Program funds?**

You may have already received an electronic copy of the work2future 2010-2011 On-the-Job Training Application. Fill out as much as you can and then connect with Kevin Turner whose contact information is at the bottom of this document and he will be happy to assist you. If you'd prefer, you can make an appointment and he'll discuss the OJT Program with you in detail and assist you with completing the application process.

**10. What kinds of organizations can access OJT Program funds?**

Most organizations can access OJT Program funds when they want to expand, and are able and willing to hire, train, and retain new full-time, hourly employees. Public agencies may not participate.

The legal structure of an organization can be a sole proprietorship, a partnership, a corporation, or even a non-profit.

**11. Are any companies given preference for OJT Training funds?**

Yes, businesses in the City of San José's Enterprise Zone and redevelopment agency areas within the work2future service area are particularly encouraged to apply. Note, however, that Enterprise Zone tax credits are applicable only to those portions of the wages actually paid by your company and cannot include any amounts for which you receive reimbursement under the OJT Program.

Also companies in work2future's Industry Clusters are preferred ((1) Bioscience and biotechnology; (2) Software; (3) Retail; (4) Hospitality and Tourism; (5) Healthcare; and (6) Constructions Trades)

**12. What happens after the application is completed?**

Once completed, your application will be reviewed by a panel of work2future staff.

Once your company's application is accepted, a standardized OJT Program contract will be completed with your company. That contract will contain all of the terms of agreement for both work2future and your company including reference to a training plan.

While the contract is being developed, you will be asked to complete a training plan which will identify the specific training that you anticipate using to bring your new employees up to your specifications. This training plan will be part of the final contract.

**13. How long will the process take before I can fill my positions?**

The length of time required to set up the contract and training plan as well as recruit candidates will vary based on 1) the complexity and number of positions; 2) the time needed by the employer to review the contract; 3) and on how focused your company is on developing the training plan. On average the work2future driven components (contract and recruitment) will take about eight weeks.

At the same time, as mentioned above, your company will need to finalize a training plan. The length of this process will largely depend on how much thought your company has given to what skills you wish to develop in the new recruits.

**14. What sort of reporting and oversight are required during the training?**

work2future will limit reporting to documentation required to track the trainees progress through the process, information needed for performance measures required by the

federal government, and proof that the agreed wages have been earned and paid. Samples of recommended documentation are available for your review.

There are also requirements that the company make its own records available to City audit at the company's site should questions arise.

**15. Who should I contact at work2future about applying for OJT Program funding?**

Contact: Kevin Turner  
Business Services Coordinator  
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Kevin and the work2future staff will be able to answer any remaining questions.