



## **PROGRAM GUIDELINES**

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

The On-the-Job Training (OJT) Program is funded by the Federal Workforce Investment Act (WIA) and administered by work2future. The purpose of the program is to provide reimbursements to employers to compensate for the costs associated with skills upgrade training for full-time employees hired through the work2future program. In addition, this program is targeted at specific groups (e.g.: job seeking clients who were laid off after January 1, 2008 and who were unemployed at least 21.5 weeks and preferably more than 99 weeks).

### **PROGRAM INFORMATION**

OJT is defined as training provided by an employer to a paid participant that:

- Provides knowledge or skills essential to the full and adequate performance of the job;
- Provides reimbursement (50% in this case) of the wage rate of the participant, in compensation for the extraordinary cost 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 which takes into account:
  - The content of the training,
  - The prior work experience of the participant,
  - The service strategy of the participant, and
  - Does not exceed 6 months.
- Provides at least 30 hours of work per week for trainees.

OJT is indicated when specific employer needs can be better met through individualized training of work2future job-seeking clients as new employees. The training will address any skills gaps between the employer's final expectations and the trainee's skills level at employment (skills gap). Persons already employed are not eligible for OJT services.

All applications are subject to a pre-award review by a panel of work2future staff.

### **APPLICATION PROCESS**

#### **Eligible Applicants**

Applications for the work2future On-The-Job Training Program are open to companies, agencies, and organizations meeting the guidelines listed below.

#### Business Applying for Funding:

- Must not use WIA funding for any activity that would otherwise be available in the absence of such funds. (per section 195.2, Workforce Investment Act of 1998)
- Must not have exhibited a pattern of failing to provide OJT participants with continued long-term employment with wages, benefits, and working conditions equal to that of regular employees doing similar work.
- Must agree to certify the skills and abilities obtained by trainees who successfully complete the OJT program by issuing a nationally recognized or industry recognized degree or certificate. An employer-issued certificate may be used if approved in advance by work2future Assistant Director.
- Is not eligible to execute a contract until 120 days after the commencement of operations of a relocating establishment if the relocation resulted in the loss of employment for any employee at the original location.
- Must demonstrate financial viability and must be current on all state tax obligations.
- Must have the personnel to provide adequate supervision and training.
- Must hire trainees prior to training as regular full-time employees provided with same benefits as regular employees not in On-the-Job training. Also, Trainees must
  - Be enrolled in the WIA program prior to hire,
  - Be part of a target group (e.g.: employees laid off after 1/1/08 who have been unemployed for at least 21.5 weeks)
- Must, on satisfactory completion of OJT Training, retain OJT Trainees in the occupations for which they have been trained, without additional subsidy or financial assistance from work2future for a period of at least ninety (90) days after the OJT Training is completed.
- May not displace, including a partial displacement, currently employed workers or impose on their promotional opportunities.

#### Priority Will Be Given To:

- Businesses in City of San José Enterprise Zone.
- Businesses in redevelopment agency areas within the work2future service area.
- Businesses in qualified targeted industries: Bioscience/Biotechnology, Software, Retail, Hospitality/Tourism, Healthcare and Construction Trades.
- Businesses whose proposals represent a significant upgrade in employee skills.
- Businesses who commit to providing trainees with wage gains, promotions, and/or career paths to self-sufficiency, following successful completion of training.
- Businesses who can document strong retention of employees.

## **Application Instructions:**

Complete and submit the OJT Program Application. Any information or documentation that cannot be supplied in the provided space should be attached, and additional information should clearly be labeled as to which relevant question number it refers. Submit one original signed completed application to:

**work<sup>2</sup>future**  
**On-The-Job Training Program**  
**Attention: Kevin Turner**  
**5730 Chambertin Drive**  
**San José, CA 95118**

## **CONTRACTING AND TRAINING**

A business approved for funds enters into a contract with work2future, which commits the business to completion of the OJT project as proposed in its application. Contracting is done directly between the City of San Jose (work2future's fiscal agent) and an OJT Employer (whether public or private sector or non-profit) that then provides skills training through an OJT program using its own employees or a third party Training Provider.

A formal training plan with details on the specific training for each employee must be approved by work2future prior to disbursement of training funds.

### **Contract Requirements:**

Employer organizations in OJT must provide:

- The number of trainees they will hire and train.
- The base wage and an identification of benefits provided to OJT Trainees. Wages and benefits must be equal to those provided to regular employees in similar positions doing the same type of work.
- Non-discrimination assurance.
- Assurance of ADA compliance.
- Assurance of operating as a drug-free workplace.
- Evidence of insurance as follows:
  - Minimum limits of Insurance required by the City of San José:
    1. Commercial General Liability: \$1,000,000 combined single limit per occurrence for bodily injury, personal injury and property damage. If Commercial Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit; and
    2. Automobile Liability: \$1,000,000 combined single limit per accident for bodily injury and property damage; and
    3. Workers' Compensation and Employers Liability: Workers' Compensation limits as required by the California Labor Code and Employers Liability limits of \$1,000,000 per accident.
    4. Waiver of Subrogation: the company must agree not to seek damages from the City for legal action taken by trainees.

- The City of San José, its officers, employees, agents and contractors are to be covered as additional insured on Contractor's policies.
- Other insurance provisions will apply, depending on the type of goods or services Employer provides. Employers will be provided the entire Insurance requirement during contract negotiations.

**Training Plan:**

- Following execution of the contract, the employer will provide a training plan which provides details regarding the training that will be offered to each hired employee to match their specific training gaps. Elements will include:
  - A list of skills that must be mastered to accomplish tasks required for the positions.
  - A list of competencies that participants are expected to achieve during OJT
  - An evaluation of the trainee's skill capacity prior to training
- This training plan must be approved by work2future prior to disbursement of training funds. No hires should be initiated prior to approval.

**On-The-Job Training Services:**

- Shall be provided for full-time employees. Training shall be provided for a minimum of 30 hours per week.

**Reimbursable On-The-Job Training Expenses:**

- Fifty percent (50%) of a trainee's hourly base wage for hours spent in On-the-Job Training for a period not to exceed six months (1080 Hours) per trainee will be reimbursed under OJT. The amount will not exceed \$6,000 per trainee. The agreed upon amount per trainee may vary depending on funding availability.
- Reimbursement will be based on wages up to \$23.82 per hour.
- Payment will be made upon receipt of invoice and documentation. A reserve of 10% of the reimbursements will be withheld pending retention of the employee(s) for a minimum of 90 days.

**Non-reimbursable Costs for OJT:**

- Wage reimbursements will *not* be based upon overtime, shift differential, premium pay and other non-regular wages, nor will the payments be based on such periods of time as illness, holidays, plant downtime, or other events in which no training occurs
- Instructor/trainer wages
- Textbooks/Manuals
- Tuition
- Registration costs or fees

**Reimbursements:**

- Any business approved for reimbursement through the work2future OJT Program that is a recipient or sub-recipient of Federal funding of \$500,000 or more in a fiscal year will be

required to furnish an independent financial and compliance audit. The company is responsible for the cost of the audit. OJT funds cannot be used to cover these costs.

- Reimbursement requests with required support documentation (timecards, evidence that trainees' wages have been paid by employer) may be submitted monthly to ensure timely reimbursement
- Employer organizations must keep accurate records of the OJT Program's implementation process and certify that all information provided for the purpose of requesting reimbursements and reporting training activity is accurate. Documentation should contain sufficient information to ensure proper tracking. Samples of recommended tracking documents will be provided.
- Final payment for businesses receiving OJT reimbursements will not be made until the final report is submitted and all performance criteria specified in the contract have been achieved; including, but not limited to, trainees' employment retention for ninety (90) days after completion of the OJT Program and trainees receiving credentials.

**Project Completion:**

- Employer must assure work2future that, at the end of the OJT training period, any new-hire participants will have skills leading to increased wages and or responsibilities.
- Because of the high demand and limited funding available, all applications will be evaluated to leverage other State, Federal, and private funds with OJT funds.
- All training projects shall be performance-based with specific measurable performance outcomes, including but not limited to, the completion of the training project and number of employees trained.
- Businesses shall provide sufficient documentation to work2future for identification of all OJT Trainees for calculation of performance measures required by WIA. Samples of recommended tracking documents will be provided. work2future will work to limit requests for other information.