

**The Workforce Connection Policy**

**Title: Work-Based Training**

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Compliance Update**

**Purpose:**

The purpose of the Work-Based Training policy in the WIOA Title I Adult, Dislocated Worker and Youth programs is to provide procedures for implementing and managing training agreements/contracts for Work-Based Training, including On-the-Job Training, Registered Apprenticeship training, Transitional Jobs, Customized Training, Work Experience, Pre-Apprenticeship Training, and Job Shadowing.

**References:**

- Illinois Department of Commerce and Economic Opportunity (DCEO) e-policy Chapter 7 All Sections
- Illinois Department of Commerce and Economic Opportunity (DCEO) WIA Policy Letter No. 07-PL-40, Change 1
- Workforce Innovation and Opportunity Act (WIOA) Proposed Regulations - section 680.700 through 680.850
- Workforce Innovation and Opportunity Act (WIOA) - Section 134 – Use of Funds for Employment and Training Activities

**Background:**

Various Work-Based Training activities are available for Adults, Dislocated Workers and Youth under the Workforce Innovation and Opportunity Act. Activities identified as Work-Based Training and addressed in this policy include On-the-Job Training, Registered Apprenticeship training, Transitional Jobs, paid or unpaid Work Experiences, Pre-Apprenticeship training, and Job Shadowing.

**Responsible Party:**

Staff responsible for WIOA funded Work-Based Training opportunities and/or processes for Adults and Dislocated Workers, and Youth services, must ensure all procedures are followed.

**Definitions:**

- On-the-Job Training –The term “on-the-job training” means training by an employer that is provided to a paid participant while engaged in productive work in a job that—
  - (A) Provides knowledge or skills essential to the full and adequate performance of the job;
  - (B) Is made available through a program that provides reimbursement to the employer of up to 75 percent of the wage rate of the participant, except as provided in section 134(c)(3)(H), for the extraordinary costs of providing the training and additional supervision related to the training; and
  - (C) Is limited in duration as appropriate to the occupation for which the participant is being trained, taking into account the content of the training, the prior work experience of the participant, and the service strategy of the participant, as appropriate.
- Registered Apprenticeship – Registered Apprenticeship is an "Earn and Learn" training model, providing a unique combination of structured learning with on-the-job training from an assigned mentor. Related instruction, technical training or other certified training is provided by apprenticeship training centers, technical schools, community colleges, and/or institutions employing distance and computer-based learning approaches. The goal is to provide workers with

advanced skillsets that meet the specific needs of employers. Upon completion of a Registered Apprenticeship program, participants receive an industry issued, nationally recognized credential that certifies occupational proficiency and is portable.

- Transitional jobs – Transitional jobs are defined as time-limited subsidized work experiences that help individuals who are chronically unemployed and have barriers to employment establish a work history and develop skills to access unsubsidized employment and progress in the workplace.
- Customized Training – The term “customized training” means training—
  - (A) that is designed to meet the specific requirements of an employer (including a group of employers);
  - (B) that is conducted with a commitment by the employer to employ an individual upon successful completion of the training; and
  - (C) for which the employer pays—
    - (i) a significant portion of the cost of training, as determined by the local board involved, taking into account the size of the employer and such other factors as the local board determines to be appropriate, which may include the number of employees participating in training, wage and benefit levels of those employees (at present and anticipated upon completion of the training), relation of the training to the competitiveness of a participant, and other employer-provided training and advancement opportunities; and
    - (ii) in the case of customized training (as defined in subparagraphs (A) and (B)) involving an employer located in multiple local areas in the State, a significant portion of the cost of the training, as determined by the Governor of the State, taking into account the size of the employer and such other factors as the Governor determines appropriate. (Sec. 680.760)
- Work Experience – Paid (subsidized) or unpaid work experience is a planned, structured learning experience in a workplace for a limited period of time that provide participants with opportunities for career exploration and skill development. WIOA Youth program participants will participate in work experience with integrated education and training activities occurring concurrently and contextually with the work-based training. (WIOA sec. 129 (c)(2)(E).
- Pre-Apprenticeship – Pre-apprenticeship is a program or set of strategies designed to prepare individuals to enter and succeed in registered apprenticeship programs and has a documented partnership with at least one, if not more, registered apprenticeship programs(s).
- Job Shadowing – A work experience option where youth learn about a job by walking through the work day as a shadow to a competent worker. The job shadowing work experience is a temporary, unpaid exposure to the workplace in an occupational area of interest to the youth.

### **Policy/Procedures:**

#### **General Requirements for Participant Eligibility**

- Work-based training opportunities must be identified as an appropriate activity for program participants on the IEP or ISS.
- IEPs or ISSs and/or case notes will specify goals of the Work-Based Training activity by –
  - Identifying purpose of the activity and
  - Outcomes expected.

## Work Experience and Transitional Jobs

1. Work experience and transitional jobs may be in the private-for-profit sector, the non-profit sector or in the public sector, for participants whose assessment and employment development plan / individual service strategy indicate that work experience and/or transitional jobs are appropriate. Work experiences may be paid or unpaid.
2. Work experiences and transitional jobs will be in positions that are “entry-level.”
3. For paid work experiences and transitional jobs, WIOA will pay the participants’ wages and related benefits. Wages will be paid at the same entry-level rate paid trainees or employees in the same or similar positions at the worksite. However, no position will be paid less than the state of Illinois established minimum wage.
4. Participants in work experience and transitional jobs will work 30 hours or less a week. The duration of the work experience and transitional job will be determined based upon the expected outcomes; however, duration of a work experience or transitional job assignment will not exceed 360 hours. Exceptions for WIOA Youth program participants include:
  - Work Experiences must include academic and occupational education.
  - WIOA Youth program participants might participate in more than one work experience assignment over the duration of their program participation – i.e. summer employment, job shadowing, pre-apprenticeship programs (681.600).
5. No participant will work in any subsidized work experience position or transitional job when the same or substantially equivalent position is vacant due to a hiring freeze.
6. The worksite supervisor is expected to provide supervision and training for participants, as well as monitor progress and application of job readiness skills. The ratio of trainee to supervisor will not exceed 5 to 1. A supervisor must be on-site at all times. Employers must plan for alternate supervision should the main supervisor be absent from the work site.
7. Work Experience and Transitional Jobs participants are considered trainees. Therefore staff developing such training opportunities must ensure adequate supervision at the worksites. A supervisor must be on-site at all times during the trainee’s work hours.
8. The number of work experience or transitional jobs participants assigned per work site will not be greater than can be adequately supervised or trained, in accordance with item 6 above. When establishing work experience or transitional job placements continually be mindful of the purpose of the placement and the prohibition of such participant holding positions that would normally be filled with an employee.
9. Future work experience or transitional jobs requests from worksites will be denied if those worksites have not honored the requirements set forth in previous worksite agreements.
10. The Program Staff will provide an updated list of Work Experience and Transitional Jobs Agreements to the Youth Council and the One-Stop Management Council at each of their meetings.
11. All participants in work experience and transitional jobs will be required to participate in job readiness/job search skills activities.
12. All work experience and transitional jobs must adhere to applicable rules contained in the WIOA legislation or applicable federal or state regulations.

13. On site monitoring of worksites by Program Staff will take place at least monthly. Worksite monitoring by The Workforce Connection Board staff or designee will take place during the program monitoring process.
14. All worksite supervisors will participate in an orientation to roles and responsibilities, time keeping and payroll procedures, and child labor laws as appropriate. Verification of the orientation will be kept with the worksite agreement.
15. Programs will utilize the Work Experience Agreement and training plan established by Illinois Department of Commerce and Economic Opportunity (Attachment A), in accordance with e-policy Chapter 7 Section 2.2.

NOTE: During Program Year 2017, Rock River Training Corporation (fiscal agent for WIOA funds) will sign and serve as “employer of record” for work experience agreements written by the Carroll-JoDavie-Stephenson Office of Education for eligible WIOA youth participants.

### **On-the-Job Training (OJT)\***

1. Participant Eligibility: Individuals who are interested and in need of OJT will complete a comprehensive assessment process which includes math and reading assessment and evaluation of their work history and job skills. An individual will be eligible for an OJT when the training eligibility requirements of the WIOA are met.
2. Occupational Eligibility: WIOA staff will seek and receive job orders for permanent occupations from companies and businesses in both the public and private sector. OJT will be an allowable activity for quality occupations that, coupled with the participant’s capabilities, contribute to their:
  - a. economic self-sufficiency
  - b. skill development
  - c. occupational upward mobility
  - d. permanent employment beyond the end of the OJT contract.

Occupations for which training will **not** be approved include:

- a. intermittent or seasonal occupations
- b. occupations that have not traditionally required any specific occupational training.

An OJT contract may be used to train a customer who, prior to the start of OJT, is already working for the OJT employer (i.e., an “employed worker” who is earning less than a self-sufficient wage) and must elevate the employee to reach at least a self-sufficient wage through skill upgrade training that relates to either:

- a. The introduction by the employer of new technologies;
- b. The introduction to new production or service procedures; or
- c. Upgrading to new jobs that require additional skills/workplace literacy.

There is no prohibition in combining OJT with other forms of training.

3. Representatives Authorized to Negotiate OJT Contracts:  
The Business Service Representatives of the provider of WIOA Individualized Career Services for WIOA Title I in LWA 3 are authorized to negotiate OJT contracts on behalf of TWC, the Local Workforce Board.
4. Contract Period:  
The training program will not exceed a total of 1,040 full-time hours of actual training (the equivalent of full-time training for 6 months) and will include the following:-

- a) A **Skills Gap Assessment** will be completed comparing the OJT Trainee skills to the skills required for the position. The **Skills Gap Assessment** will inform the training plan for the OJT Agreement and provide guidance for the training period / contract period.
- b) Development of an Individualized Services Employment and Training Plan (ISTEP) that meets the specific skills requirements for the position at the hiring employer, documented by an additional episode to the "Development of IEP" service in IWDS. An example of the case note could be:  
 Case Note Supporting Same Day Service  
 Case Note Subject Line: IEP-OJT ISTEP  
 "Please refer to the OJT "Training Outline" in customer's file for details regarding specific training and employment information for this customer."
- c) The OJT training program should not be more than six (6) months in length as that indicates there may be too large a gap in the customer's skill(s) level and employer needs;
  - 1) As a guide for determining the length of a training program, WIOA staff will determine the SOC Code for each OJT occupation. Each OJT occupation falls within a SOC Code which is assigned a Specific Vocational Preparation (SVP) level. The SVP levels represent the amount of training time required to be proficient in an occupation. Training time will be limited to 6 months or 1040 hours.

Scale of Specific Vocational Preparation (SVP):

<u>Level</u>	<u>Time</u>
1	Short demonstration only
2	Beyond short demonstration up to 30 days
3	Over 30 days up to 3 months
4	Over 3 months up to 6 months
5	Over 6 months up to 1 year
6	Over 1 year up to 2 years

To determine an occupation's SVP, WIOA staff use information available on the website *O\*Net Online*. [www.online.onetcenter.org](http://www.online.onetcenter.org). (To find SVP level, WIOA staff enter occupation's O\*Net-SOC code, then click on occupation's name, then click on *Job Zone*. More information on the SVP is available on the *O\*Net Online* website under the *Help* feature.)

- d) Training may exceed six (6) months if there are extenuating circumstances such as lengthy illness, plant shutdown, holidays, etc. but total training hours will not exceed 1040; and
- e) An employee in OJT may work overtime hours, but overtime hours are not eligible for reimbursement.

Individuals selected for an OJT contract will not be placed in an occupation in which they have had prior experience, unless some of the skills required are in a new area for which technology and skills have changed significantly enough to warrant additional training.

Reasonable tools, equipment, and clothing not provided by the employer on all OJT contracts may be provided by WIOA funds, based on the participant's need. If the trainee does not complete the OJT, the local WIOA program will retain ownership of tools and/or equipment. A reasonable cost for required tools is a cost that does not exceed \$500 per trainee.

- 4. Working Conditions: All OJT participants shall be subject to the same working conditions (i.e., health and safety, benefits, bonuses, etc.) as other employees hired by the employer

5. Employees' Wages: The minimum starting wage rate for all OJT employees shall be the employer's normal entry wage rate for the occupation for which they are being employed.
6. Collective Bargaining Agreements: As applicable, the employer will obtain the concurrence of the collective bargaining representative regarding the on-the-job training position and the rate of pay for the position.
7. Reimbursement for Training: On-the Job Training is provided for a WIOA customer in exchange for a negotiated reimbursement of up to seventy-five percent (75%) of the wage rate to compensate for the employer's extraordinary costs of training and additional supervision related to the training.
  - 1) The reimbursement rate shall be on a sliding scale based on the size of the business entering into the OJT contract. Under the current state waiver, the following reimbursement amounts will be permitted:
    - a) Up to seventy-five percent (75%) for employers with 75 or fewer employees,
    - b) Up to fifty percent (50%) for employers with more than 75 employees.
  - 2) During negotiation of an OJT contract, the training costs of the employer should be estimated by the LWA and used as a basis for negotiating the percentage of the wage to be reimbursed during the training period.
  - 3) The size of the business is determined by the location where the training will take place, or (in instances where training may occur offsite) the location to which the trainee reports.
  - 4) When determining the negotiated reimbursement, the LWA should consider the overall size of the company and its ability to pay for training without WIOA support, the total available funds for OJT programs, the number of employers interested in OJT programs, and other factors in order to maximize the impact of OJT funds
  - 5) On a monthly basis the employer must submit the following to the Fiscal Agent: (a) invoice form, (b) payroll records showing the gross wages paid to the trainee, and (c) time records showing actual hours worked. The fiscal Agent will reimburse employers for the regular hours a trainee actually worked up to 40 hours per week.

**NOTE: National Emergency Grants (NEG) have specific wage reimbursement caps. TEGL 13-15 - NEG OJT**

8. Evaluation: After a participant has been active in an OJT contract position for approximately one month, an evaluation will be completed by the employer to evaluate the participant's performance and progress for that period of time. The OJT Employer Evaluation form will be kept in the contract monitoring file.
9. Monitoring: Monitoring of an OJT contract will be done on site by WIOA staff at least once for a 1-3 month contract or twice for a 4-6 month contract to determine the progress of the participant during that training period. The WIOA staff will complete an OJT Monitoring Summary which will be kept in the contract monitoring file.
10. Corrective Action: If there are findings or problem areas identified during OJT monitoring, corrective action will be recommended to the employer. A date will be agreed upon by the employer and WIOA staff to correct the findings and/or problems. The WIOA staff will follow-up to determine if the corrective action was completed. If the corrective action is not completed, steps may be taken to terminate the agreement.

## Process for Developing and Implementing the OJT Agreement

OJT Agreement will be developed in accordance with IL DCEO e-policy Chapter 7 Section 2.2, utilizing the forms established by DCEO.

Step 1 – Employer completes and signs the *On-the-Job Training Preliminary Questions*. This checklist is kept on file and can be utilized for multiple OJTs with the same employer; however the checklist will be updated annually.

Step 2 – Staff, working with the Employer, will ensure completion of the *Training Outline* and Contract, including the *Cover Page*.

Step 3 – Staff presents the completed *On-the-Job Training Preliminary Questions and Training Outline* to The Workforce Connection Grant Compliance Specialist for review and approval.

Step 4 – Upon securing approval, Staff present a complete contract document to the Employer for signature.

Step 5 – Signature of The Workforce Connection Executive Director will be secured prior to the start of the OJT training period.

Step 6 – A signed document will be presented to the Employer and Grant Compliance Specialist, who will forward a copy to the fiscal agent.

A OJT Contract will include the following fully completed components:

- OJT Cover Page
- OJT Preliminary Questions
- State of Illinois OJT Contract
- OJT Local Provisions
- Training Outline

### Customized Training

1. Customized training is designed to meet the special requirements of an employer or group of employers.
2. The employer(s) must pay not less than 50 percent of the cost of the training.
3. Employer matching costs must be in cash, or in-kind, must be documented, and are subject to audit.
4. Customized training may be provided to WIOA program participants eligible for training services.
5. The employer (or group of employers) must commit to hire individuals who successfully complete the customized training program and trainees must agree to accept employment offers from the employer.
6. The employer groups will assist WIOA staff in identifying appropriate training providers. As appropriate, local procurement of training providers will occur.
7. An agreement between WIOA, the training provider and the employer (or group of employers) will be finalized and signed prior to the start of training.
8. A customized training contract may also be written to train a customer who is already working for the employer (or group of employers) for which the customized training is being provided, when the employee is not earning a self-sufficient wage. In this situation, customized training provided to a previously employed worker must elevate the employee to reach at least a self-sufficient wage through skill upgrade training that relates to either:
  - a. The introduction by the employer of new technologies;
  - b. The introduction to new production or service procedures; or
  - c. Upgrading to new jobs that require additional skills/workplace literacy.

## **Registered Apprenticeship**

1. Registered Apprenticeship is an important component of potential training and employment services that are based on an “Earn and Learn” model. Registered Apprenticeship can be funded through several mechanisms. Registered Apprenticeship program sponsors can be Eligible Training Providers.
  - a. Some Employers who provide related instructions with Registered Apprenticeship programs can provide formal in-house instructions as well as the on the job training at the worksite.
  - b. Some Employers will use an outside educational provider for the classroom instruction. Employers can use two- or four-year post-secondary institutions, technical training schools or on-line courses for related instructions. The employer is the Eligible Training Provider and must identify its instructional provider.
  - c. For multiple year apprenticeships, funding to cover the costs of related training will be negotiated and obligated by semester or applicable certification, but not more than six months at a time.
  
2. On-the-Job Training Agreements and procedures will be utilized for the on the job training hours of the apprenticeship. For multiple year apprenticeships, the total hours for reimbursement will be negotiated. Most OJT agreements will not exceed 1040 hours.

**Action Required:** This information should be disseminated to all WIOA One-Stop Operator program directors/staff responsible for brokering Work-Based Training agreements on behalf of The Workforce Connection, such as job developers, placement staff, career planners and staff responsible for budgeting, vouchering and accounting.

**Inquiries:** Questions regarding this policy should be directed to The Workforce Connection Executive Director

**Effective Date:** Immediately