



FAQs 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 up to 50% of the wage rate of OJT Trainees up to a maximum of \$3,000 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 during the time of training, OJT Employers are still responsible for some expenses. 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?

Yes, there are. For example, your company must be a business in a qualified targeted industry and capable of providing in-demand occupations. You also cannot use OJT Program funded trainees to replace employees laid off within six months prior to the date of your application.

The OJT Program must relate to one of several possible options such as the introduction of new technologies, the introduction of new production or service procedures, or creating new jobs that require additional skills.

You must agree to hire any OJT Trainees as permanent, full-time employees. The final reimbursement for an OJT Trainee's wage subsidy 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 must be commensurate with what you pay others doing similar work.

The 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 8th grade math ability," "English-Spanish bilingual ability," or any other applicable criteria). Then, work2future will identify those of its clients 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 recognized or an industry recognized degree or certificate in the specific field of training.

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 \$3,000 per OJT Trainee is reimbursable.

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 2009-2010 On-the-Job Training Application. Fill out as much as you can and then contact our office; our staff will be happy to assist you. Or, call work2future to make an appointment with one of our Job Developers who can discuss the OJT Program with you and assist you with completing the application process.

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

Organizations can access OJT Program funds when they are within work2future's Industry Clusters with hourly employees, wanting to expand, and are able and willing to hire, train, and retain new employees. The goal is for OJT Trainees to have a career ladder beginning with a non-entry-level position. The legal structure of an organization can be a sole proprietorship, a partnership, a corporation, or even a non-profit.

11. What are work2future's "Industry Clusters?"

(1) Bioscience and biotechnology; (2) Software; (3) Retail; (4) Hospitality and Tourism; (5) Healthcare; (6) Constructions Trades; and (7) Public Sector.

12. Are any companies given preference for OJT Training funds?

Yes, businesses in the City of San José's Enterprise Zone and Redevelopment Agency Areas are 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.

13. What happens after the application is completed?

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

If 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.

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

Contact: Ric Giardina
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Ric and the work2future staff will be able to answer most of your remaining questions for you or will find out the answers.