



## **Region 1 Workforce Development Board Policy Letter #03**

**Subject: On-the-Job Training (OJT)**

**Effective Date: July 1, 2015 (Revised 4.23.2016)**

**Purpose:** To establish policy on requirements and benefits available under Region 1 Workforce Development Board.

**References:** Workforce Innovation and Opportunity Act (WIOA) section 101 (44), Section 134 (c) (3); and NPRM 68.320; WFWV Guidance No. 15-12, Change 1; this policy is subject to any exceptions authorized by the State of WV.

**Background:** The Workforce Innovation and Opportunity Act provides for on-the-job training (OJT) activities. On-the-job training is training provided by an employer in the public, private non-profit or private sector. A contract may be developed between the employer and the Workforce Development Board (WDB) in exchange for the reimbursement of between 50 and 75 percent of the wage rate to compensate for the employers' extraordinary costs of providing the training and supervision related to the training.

**Policy:** Region 1 Workforce Development Board (R1 WDB) will authorize the use of WIOA, or other monies, to fund OJT within the region. The amount of funding to be obligated will be determined as part of the budget process each fiscal year.

- All WIOA Adults, Dislocated Workers and Youth applying for OJT must pass drug testing as required in guidelines outlined in WFWV Guidance No. 15-12, Change 1 to be enrolled in on-the-job training.
- Funds must be used only on individuals who meet priority of service requirements in the WIOA and outlined in R1 WDB Policy #3.

*Other guidelines related to on-the-job training contracts are located in Attachment 1.*

**Expiration Date:** This policy shall be in effect until revised or canceled by the Region 1 Workforce Development Board.

**ATTACHMENT 1**

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

**Definition**

- A. On-the-Job Training means training by an employer that is provided to paid participants while engaged in productive work in a job that
1. Provides knowledge or skills essential to the full and adequate performance of the job;
  2. Provides reimbursement to the employer of between 50 and 75 percent of the wage rate of the participant for the extraordinary costs of providing the training and supervision related to the training; and,
  3. 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 Individual Employment Plan (IEP) of the participant, as appropriate.

**Purpose**

- OJT focuses on jobs involving the introduction of new technologies, production or service procedures; upgrading to new jobs that require additional skills or workplace literacy; or other appropriate purposes identified by the RI WDB. The employer can be in the public, private non-profit or private sector with emphasis on private sector opportunities.
- OJT is designed primarily for the individual who does not have the related education, training or work experience required for the job. It may be provided in various occupational areas and often lowers the employers' risks in hiring and training new personnel. For the participant, OJT allows him/her to gain the knowledge and skills necessary to perform a job after he/she has been hired.

**Training Guidelines**

- Training shall be for occupations for which there is a demand in the area served or for occupations determined to be in sectors of the economy which have a high potential for sustained demand or growth.
- Training opportunities should be encouraged in occupations providing upward mobility and development of new careers.
- Authorized OJT training for a participant shall be limited to a period of time generally required for the acquisition of skills needed for the position within a particular occupation. In determining the period generally needed for the acquisition of necessary skills, consideration shall be given to skill requirements of the occupation, employer training plans and contents and the participant's education, prior work experience and IEP. Recognized reference materials including, but not limited to, the "Dictionary of Occupational Titles" and/or O\*Net information should be used in identifying the skill levels of the occupation. NOTE: If OJT funding is available from sources other than local WIOA funds, training hours and reimbursement rates will be determined based on the terms of the particular grant.
- Wages for OJT opportunities should be a minimum of \$8.75/hour.
- Training/reimbursement time for OJT opportunities shall have an SVP Level of 4 or higher.
- Maximum hours of training reimbursement shall be 499 hours.
- The training/reimbursement rate will be based on the size of the employer at the specific location of training as follows:

<b>Employer Size</b>	<b>Maximum Reimbursement Rate</b>
1 – 99 employees	75% of wages
100 + employees	50% of wages

- The training plan for each individual must document how current skills were evaluated and how the training length was determined based on existing skills.
- OJT contracts may be written for eligible employed workers under the following conditions:
  - The employee is not earning a self-sufficient wage (based local board policy) and training will lead to a wage increase;
  - The employed individual is facing dislocation in the current job and additional training will lead to job retention for the employee; and
  - The training relates to the introduction of new technologies, new production or service procedures, upgrading to new jobs that require additional skills and/or workplace literacy.

**Conditions Under Which Training Shall Not Be Approved:**

- Seasonal, intermittent or temporary employment
- Employment that is less than 35 hours per week
- Jobs that pay less than \$8.50 an hour
- Jobs which would result in the displacement of any currently employed worker, including partial displacement such as a reduction in amount of non-overtime work.
- Jobs that, if filled, would replace any worker who is on layoff or involved in a labor dispute.
- Jobs with an employer who has exhibited a pattern of failing to provide OJT participants with continued long-term employment as a regular employee with wages and working conditions at the same level as similarly situated employees.

**The Employer Agrees to:**

- Hire a participant who does not have all the skills necessary to successfully perform the job.
- Train the participant for the job through a structured approach, monitor progress of participant and contact R1 WDB immediately with performance issues.
- Retain the participant at the end of training barring a change in business conditions or participant performance issues.
- Be in compliance with all appropriate state and federal tax requirements (WC, UI, etc.).
- Must have three permanent employees for every one OJT trainee. (Waiver may be granted by R1 WDB).
- Agree to provide the same benefits and working conditions as those similarly employed at the company.
- Abide by applicable Equal Opportunity, OSHA and health regulations.

**Participant Guidelines**

**Participant must:**

- Possess a high school diploma or equivalency.
- Complete WorkKeys assessments in Applied Mathematics, Reading for Information and Locating Information.
- Engage in labor market research, if in job development.
- Sign Memorandum of Understanding (MOU) and IEP.

Approved: Executive Committee/WDB/LEO Board 5.19.2016