

EOWB Policy #: P-001	Effective Date: 04/01/2016
	Revised: 04/17/2018
WIOA ON-THE-JOB TRAINING (OJT)	☐ New ☒ Revised
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Purpose

Section 134(c) (3) (H) of the Workforce Innovation and Opportunity Act (WIOA) allows the Governor and local boards to reimburse employers for On-The-Job Training (OJT) participants. This policy conveys the local requirements for the development of OJT opportunities and contracts.

Policy

Eastern Oregon Workforce Investment Board (EOWB) encourages the use of an OJT by its contracted service providers to meet the needs of job seekers to find and keep good jobs and local employers to offset the extraordinary cost of training employees.

OJT is a hire-first program. In consideration of the extra costs to the employer of hiring and training a new employee or promote an employee onsite, a portion of the employee's wages may be reimbursed for a limited duration. OJT has put unemployed individuals to work and keep incumbent workers earning a wage while they receive training to address gaps in their skill set that hinders them from fully performing a job.

OJT is not a subsidized employment program. The OJT contract assists businesses in training and retaining skilled, productive workers by off-setting the extraordinary costs of providing the training and additional supervision related to the training. A rigorous training plan, put in place by the employer, leads to employee retention and growth in the job. OJT's are intended to encourage the development of in-company training programs that lead to transferrable skills for eligible individuals who would not otherwise be hired or promoted to a given position. OJT is not an entitlement program for employers. The decision to enter into contract with an employer is at the discretion of the EOWB, or their designee, and its contracted service providers.

PROCEDURES

1. **Eligible trainees.** Contracted service providers will only enter into OJTs on behalf of the eligible trainees who are:
 - a. Job seekers enrolled in the WIOA Title I Adult, Dislocated Worker and/or Youth program that the employer agrees to hire or incumbent workers that the employer intends to retain; and
 - b. The job seeker has been assessed and met the industry standard level of education based on the results in basic education proficiency, vocational aptitude and/or the National Career Readiness Certificate (NCRC) having the skills and qualifications to participate successfully in an OJT training contract, in order to obtain or retain employment that will lead to self-sufficiency.
2. **Eligible employers.** Contracted service providers will enter into OJT contracts and provide OJT reimbursements only to eligible employers that meet the following criteria:
 - a. Have the capacity and resources to adequately train the OJT candidate with the intent of retaining the employee in long-term, full-time employment;
 - b. Enter into a signed training contract that spells out the training and retention expectations of the employee, the employer, and the contracted service provider;
 - c. Have adequate payroll and record keeping systems in place;
 - d. Have the explicit agreement of the bargaining agent if OJT positions are covered by collective bargaining agreements;

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- e. Provide the same rate of pay, fringe benefits and working conditions offered to the OJT trainee as similarly situated employees in similar positions in the local labor market;
- f. Workers' Compensation or accident insurance coverage is adequate and in effect.
- g. Employers that meet the definition requirements of an employer for the funding source is being used. OJTs may be used in conjunction with apprenticeships. NOTE: Some funding sources ban the use of OJTs with public sector employers, casinos, gaming establishments, swimming pools, aquariums, zoos, golf courses and faith-based organizations.
- h. Preference would be provided to private sector employers operating in in-demand sectors, or providing in-demand occupations or providing a higher wage.
- i. An employer is **not eligible** to enter into an OJT contract or receive OJT reimbursements if any of the following applies:

- I. OJT positions result in worker displacement -

- Any other individual is on layoff status with recall rights from the same or any substantially equivalent job in compliance with the employer's layoff policy or those of the Local Workforce Development Area;
- The employer has terminated the employment of any regular employee with the intention of filling the vacancy with an OJT participant;
- The OJT position infringes on the promotional opportunities of currently employed workers.
- The prohibited displacement may also include a partial displacement, such as a reduction in the hours of non-overtime work, wages, or employment benefits of any currently employed employee.

- II. Employer has relocated all or part of their business within the previous 120 days where the relocation action has resulted in the loss of employment of any employee at the original location;

- III. Employer has been convicted of violating federal laws and regulations;

- IV. Employer receiving OJT payments with contracts under WIOA and exhibited a pattern of failing to provide participants with continued long-term employment as regular employees with wages and employment benefits (including health benefits) and working conditions at the same level and to the same extent as other employees working a similar length of time and doing the same type of work.

3. **OJT Training Duration.** An OJT contract must be limited to the period of time required for a participant to become proficient in the occupation for which the training is being provided, taking into account the content of the training, the prior work experience of the participant, and the service strategy of the participant, as appropriate. The length of training under an OJT contract may not exceed six months, except with explicit agreement from the EOWB or their designee, and based on the identified needs of the job seeker. The contract should include a planned retention period of not more than 90 days or less than 30 days to assure that the trainee has mastered the skills needed to succeed in the occupation.

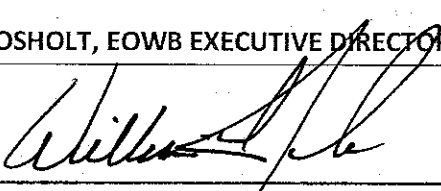
4. **Reimbursement.** Employers may be reimbursed only for the portion of the trainee's wages agreed upon in the OJT contract. Employers may be reimbursed only for time the trainee was actually on the job and receiving training.

- a. The reimbursement amount will be a negotiated percentage of the wage paid to the trainee.

- I. The employer reimbursement rate for OJT **may not** exceed 75 percent.

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- II. The employer reimbursement may only exceed 50 percent of the trainees wage rate under the following conditions and with approval of the Workforce Board, or their designee:
- The characteristics of the participant(s) with an emphasis on barriers to employment as defined in WIOA Section 3(24);
 - The quality of employer-provided training (e.g., an industry-recognized credential, advancement opportunity) and advancement opportunities;
 - The OJT position is an in-demand occupation as identified by the local board in alignment with WIOA Section 3(23);
 - The OJT employer is in an in-demand industry identified by the local board as defined by WIOA Section 3(23)
- b. OJT reimbursements should not exceed \$5,000 per employee, unless approved by the Workforce Board, or designated staff. There is no requirement to reimburse employers at the \$5,000 cap.
- c. Employer requests for reimbursement must include:
- I. Exact hours and wages paid to the trainee by the employer.
 - II. Payroll check stubs or payroll records that show the gross wage amount that the employer paid the trainee along with other payroll deductions.
- d. Contracted service provider shall maintain copies of the document(s) upon which reimbursement was based and provide copies upon request from the local board.
- e. Contracted service provider is responsible to ensure that the employer is paying the trainee in accordance with all payroll laws and regulations.
- f. Employers may be reimbursed for the OJT at not less than monthly of the contracted costs for the training in that time period with the final payment made after the agreed upon retention period, of not more than 90 days or less than 30 days, included in the contract.
5. **Additional terms and conditions.** Some sources identified to support OJT in the local area may include additional restrictions or priorities. Contracts with contracted service providers will convey any additional terms and conditions related to the implementation of OJT contracts with employers.

ADOPTED AT EOWB REGULAR MEETING	DATE: 04/17/2018
WILLIAM ROSHOLT, EOWB EXECUTIVE DIRECTOR	EFFECTIVE DATE: 04/17/2018
SIGNATURE 	DATE 4-18-18