



**WORKFORCE INNOVATION AND OPPORTUNITY ACT (WIOA)  
POLICY NOTICE NO. 23 Rev. 3**

**EFFECTIVE DATE: March 31, 2026**

**SUBJECT: ON THE JOB TRAINING (OJT)**

**I. PURPOSE**

The purpose of this policy is to establish uniform standards for the use of WIOA Title I funds for On-the-Job Training (OJT) within the Northern Area Local Workforce Development Board (NALWDB) region. This policy is intended to ensure that OJT activities are:

1. They are delivered in compliance with federal and state law.
2. Support participant skill development and movement toward self-sufficient employment.
3. Protect against displacement of existing workers.
4. Maintain fiscal integrity and reduce the risk of questioned or disallowed costs; and
5. Are implemented consistently across service providers.

**II. AUTHORITY**

This policy is issued pursuant to the authority of the Workforce Innovation and Opportunity Act (WIOA), Title I (29 U.S.C. §3101 et seq.), and its implementing regulations, including but not limited to:

- 20 CFR Part 680 – Adult and Dislocated Worker Employment and Training Activities (including On-the-Job Training and Work-Based Learning).
- 20 CFR Part 681 – Youth Activities.
- 29 CFR Part 38 – Implementation of the Nondiscrimination and Equal Opportunity Provisions of WIOA.
- 2 CFR Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.
- 29 U.S.C. §2931 – Use of funds for employment and training activities.
- Fair Labor Standards Act (FLSA), 29 U.S.C. §201 et seq.
- Training and Employment Guidance Letter (TEGL) No. 19-16, and other applicable USDOL guidance.
- Applicable policies issued by the New Mexico Department of Workforce Solutions (NMDWS) 18-006, Change 2.

In the event of a conflict between this policy and state or federal law or guidance, the applicable federal or state authority shall prevail.

**III. POLICY STATEMENT**



On-the-Job Training is a work-based training activity that provides participants with hands-on occupational skills training while they are engaged in productive work. OJT is designed to address documented skill gaps and to lead to continued, unsubsidized employment with the training employer upon successful completion of the training period.

OJT is not an employer subsidy and shall not be used to support routine orientation, customary employer training, or positions with limited opportunity for advancement.

#### **IV. ELIGIBLE PARTICIPANTS**

On-the-Job Training (OJT) may be provided to eligible Adults, Dislocated Workers, and enrolled Youth (both In-School Youth (ISY) and Out-of-School Youth (OSY)), in accordance with WIOA Title I and applicable federal and state regulations. Eligibility for OJT must be determined on an individual basis and supported by appropriate documentation prior to the start of training.

##### **A. Adult Participants**

Adult participants must meet WIOA Adult eligibility requirements and:

1. Be age 18 or older at the time of enrollment.
2. Be unemployed, underemployed, or otherwise determined to need training to obtain or retain self-sufficient employment.
3. Be assessed and determined to possess a documented skill gap that can be appropriately addressed through OJT.
4. Be determined, through an individualized assessment, to be suitable for the occupation and work environment in which OJT will occur; and
5. Have an Individual Employment Plan (IEP) that identifies OJT as an appropriate strategy aligned with the participant's career goals.

Priority of service for Adults must be applied in accordance with WIOA Section 134(c)(3)(E), including priority for recipients of public assistance, other low-income individuals, individuals who are basic skills deficient, and veterans and eligible spouses, as applicable.

##### **B. Dislocated Worker Participants**

Dislocated Worker participants must meet WIOA Dislocated Worker eligibility requirements and:

1. Have been terminated or laid off, or received notice of termination or layoff, or otherwise meet the definition of a Dislocated Worker under WIOA.
2. Be unemployed or underemployed and determined to need training to reenter the workforce in suitable employment.
3. Be assessed and determined to have a documented skill gap that can be addressed through OJT.



4. Be determined, through an individualized assessment, to be appropriate for the selected occupation and training environment; and
5. Have an Individual Employment Plan (IEP) that documents the need for OJT to support reemployment in an in-demand occupation or other suitable employment.

OJT for Dislocated Workers must be consistent with rapid reemployment objectives and may be used to support transition into new industries or occupations where prior skills are not directly transferable.

#### **C. Youth Participants – General Requirements**

Youth participants must be eligible and enrolled under the WIOA Youth program and:

1. Meet all applicable Youth eligibility requirements prior to participation.
2. Be determined, through an objective assessment, to need occupational skills training.
3. Have a documented skill gap that can be addressed through structured on-the-job training.
4. Be determined to be appropriate for the occupation and training environment; and
5. Have an Individual Service Strategy (ISS) that identifies OJT as an appropriate work-based learning activity aligned with the youth's education, training, and career goals.

OJT for Youth must be designed to support skill development, increased employability, and progress toward recognized credentials or employment outcomes, as appropriate.

#### **D. In-School Youth (ISY)**

For In-School Youth, OJT must:

1. Be appropriate considering the youth's school status and academic schedule.
2. Be coordinated with the youth's education plan to ensure that participation in OJT does not interfere with school attendance or progress.
3. Support the development of occupational skills that complement academic learning and career exploration; and
4. Be documented as part of a broader strategy that may include tutoring, career planning, or other youth program elements.

OJT for ISY should be used selectively and only when it is determined to be developmentally appropriate and aligned with both educational and career objectives.

#### **E. Out-of-School Youth (OSY)**

For Out-of-School Youth, OJT may serve as a primary occupational skills training strategy and must:



1. Be aligned with the youth's career goals and pathway toward employment or post-secondary education.
2. Address documented skill gaps that limit employability.
3. Support attainment of recognized credentials, work readiness skills, or unsubsidized employment; and
4. Be structured to promote retention in employment following completion of training.

OSY participation in OJT should emphasize placement in occupations with opportunities for advancement and long-term attachment to the labor force.

#### **F. Documentation Requirements**

All eligibility determinations, assessments, plans (IEP or ISS), and supporting documentation must be fully completed and retained in the participant file prior to the OJT start date. Documentation must demonstrate compliance with WIOA eligibility requirements, suitability for OJT, and alignment between the training activity and the participant's individualized plan.

#### **V. ELIGIBLE EMPLOYERS**

OJT contracts may be executed with public, private non-profit, or private sector employers, provided that the employer:

1. Complies with all applicable federal, state, and local laws, including wage and labor standards.
2. Is not suspended, debarred, or otherwise excluded from participation in federally funded programs.
3. It has the capacity to provide structured training, adequate supervision and a safe work environment.
4. Can reasonably be expected to retain the participant in unsubsidized employment upon completion of training.
5. Has successfully completed a pre-award review, which includes an evaluation of the employer's financial stability, working conditions, compliance with labor laws, training capacity, and history of employee retention.
6. Does not displace currently employed workers, including partial displacement such as reduction in hours, wages, or benefits, and does not fill positions created by layoffs or reductions in force.
7. Provides wages and benefits that are consistent with similarly employed workers and meet applicable minimum wage requirements.
- 8.

Employers shall be deemed ineligible if they demonstrate a pattern of failure to provide OJT participants with continued long-term employment, have recent substantiated violations of labor or employment laws, or otherwise fail to meet WIOA or state policy requirements.



## **VI. PATTERN OF FAILURE**

A pattern of failure may be established when an employer repeatedly fails to retain OJT participants in unsubsidized employment upon satisfactory completion of training.

A pattern of failure determination shall be based on documented outcomes and monitoring results and may include, but is not limited to:

1. Failure to retain three (3) or more OJT participants within a twelve (12) month period without documented justification; or
2. Repeated failure to provide wages, benefits, or working conditions comparable to similarly situated employees.

Employers determined to have a pattern of failure may be barred from future OJT contracts for a specified period, as determined by the NALWDB.

## **VII. OCCUPATIONAL AND TRAINING REQUIREMENTS**

On-the-Job Training (OJT) must:

1. Be provided in non-seasonal occupations with reasonable opportunities for advancement and retention.
2. Be aligned with in-demand occupations, unless a documented exception is approved in accordance with local policy.
3. Address a documented skill gap identified through an individualized assessment and reflected in the participant's Individual Employment Plan (IEP) or Individual Service Strategy (ISS).
4. Include a written OJT Training Plan that:
  - Identifies the specific occupational skills to be learned.
  - Defines the expected training outcomes and evaluation methods; and
  - Establishes the anticipated duration of training based on the participant's skill gap and the requirements of the occupation.
5. Be of sufficient duration to allow the participant to achieve occupational competency, not to exceed six (6) months or 1,040 hours, unless otherwise justified and approved in accordance with WIOA Section 134(c)(3)(H) and 20 CFR §§680.700–680.730.
6. Be structured so that OJT wage reimbursement is limited to the period necessary to address the documented skill gap.

Once the participant has successfully achieved the training objectives identified in the OJT Training Plan, including attainment of a Measurable Skill Gain (MSG) as defined under WIOA Section 116 and 20 CFR §677.155, the training shall be considered complete for OJT purposes.

7. WIOA funds may not be used to reimburse wages beyond the completion of the OJT training period, even if the participant continues employment with the employer following successful



completion of training. Continued employment after training completion shall be fully unsubsidized.

### **VIII. HOURS AND WAGES**

OJT positions are generally expected to be full-time. For purposes of this policy, full-time employment is typically defined as 30 hours per week.

Exceptions to the 30-hour standard may be approved when:

1. Required as reasonable accommodation for an individual with a disability.
2. Consistent with registered apprenticeship or pre-apprenticeship models; or
3. Supported by documented participant needs and labor market conditions.

Participants must be paid wages consistent with the employer's wage structure and in compliance with the Fair Labor Standards Act and applicable state wage laws.

### **IX. REIMBURSEMENT**

Employers may be reimbursed for a portion of the participant's wages to offset the extraordinary costs associated with providing On-the-Job Training, including the costs of training and the reduced productivity of the participant during the training period, in accordance with WIOA Section 134(c)(3)(H) and its implementing regulations at 20 CFR §§680.700–680.730.

Consistent with 20 CFR §680.730, reimbursement rates shall not exceed:

1. Seventy-five percent (75%) of the participant's wages for employers with fifty (50) or fewer employees; or
2. Fifty percent (50%) of the participants' wages are for employers with more than fifty (50) employees.

Reimbursement is allowed only for hours worked during the approved OJT training period and is contingent upon the submission of complete, accurate, and timely documentation. Required documentation includes, but is not limited to, verified timesheets, payroll records, OJT progress reports, and invoices demonstrating compliance with the approved OJT Training Plan and federal cost principles under 2 CFR Part 200.

### **X. EQUAL OPPORTUNITY AND NONDISCRIMINATION**

All OJT activities must be administered in compliance with WIOA Section 188 and 29 CFR Part 38.

Participants and employers shall be provided equal access to OJT opportunities without discrimination on any prohibited basis.



Reasonable accommodation should be provided for qualified individuals with disabilities. Language access services shall be provided to individuals with limited English proficiency. Participants shall be informed of their right to file complaints and the procedures for doing so.

**XI. OVERSIGHT AND MONITORING**

The NALWDB is responsible for establishing OJT policy and conducting oversight of OJT activities. Service providers are responsible for implementation and documentation. Board staff shall conduct monitoring to assess compliance, identify risk, and recommend corrective action as necessary.

Failure to comply with this policy may result in monitoring findings, corrective actions, questioned costs, or disallowed costs in accordance with 2 CFR Part 200.

**XII. EFFECTIVE DATE**

This policy shall become effective upon approval by the Northern Area Local Workforce Development Board and shall remain in effect until modified or rescinded.

This policy rescinds any previous NALWDB policy regarding subject.  
INQUIRIES; Contact WIOA Program Manager at (505) 986-0363.

  
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Joseph Weathers (Apr 7, 2026 22:14:50 MDT)  
NALWDB CHAIR

Apr 7, 2026  
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DATE