



Program Management Policy

TITLE: On-The-Job Training (OJT)

POLICY APPROVED BY:

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Previous Policy Approval Date:

June 8, 2021

Current Policy Effective Date:

July 1, 2021

Revision Approval Date:

October 12, 2021

PURPOSE:

To further articulate East Cascades Works implementation of On-the-Job Training as defined by the Workforce Innovation and Opportunity Act Section 3(44).

POLICY:

The East Cascades Works encourages the use of On-the-Job Training (OJT) by its contracted service providers to better meet the needs of job seekers so they may find and keep jobs with local employers, and offset employer costs associated with new employee training.

OJT is not a subsidized employment program, it is a WorkSource service that assists businesses in training and retaining skilled, productive workers by offsetting the extraordinary costs of providing the training and additional supervision related to the training. These costs include the provision of occupational training as well as supervision of a new employee. An agreement with the employer specifies the duration of training as well as the skills and competencies to be acquired by the participant. WIOA also allows both Individual Training Accounts (ITA) and OJT funds to be used together when placing participants into a registered apprenticeship program or with a training provider. OJTs 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.

OJT is provided under a contract with an employer or registered apprenticeship program sponsor in the public, private non-profit, or private sector. Through the OJT contract, occupational training is provided for the WIOA participant in exchange for the reimbursement, typically up to 50 percent of the wage rate of the participant, for the extraordinary costs of providing the training and supervision related to the training. In limited circumstances, as provided in WIOA sec. 134(c)(3)(h) and § 680.730, the reimbursement may be up to 75 percent of the wage rate of the participant.



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- I. **Eligible trainees:** Contracted service providers will only enter OJTs on behalf of the eligible trainees, enrolled in the WIOA Title I Adult, Dislocated Worker and/or Youth program that meet one of the following:
 - A. The employer agrees to hire or a newly hired employee¹ that requires additional training that the employer intends to retain,
 - B. Is assessed as having the skills and qualifications to participate successfully in an OJT training contract, to obtain or retain employment that leads to self-sufficiency,
 - C. Is unable or unlikely to obtain employment without retraining,
 - D. Is low income, receiving unemployment insurance or public assistance, or need to earn a wage while learning an occupational skill,
 - E. Is an individual with barriers to employment who need help finding their next job.
 - F. Is an individual who can learn the skills necessary for the occupation more easily and thoroughly on the job; and/or
 - G. Need supervision as they learn specific skills for an occupation.
 - H. Is currently employed with the employer, but the OJT relates to the introduction of new technologies, introduction to new production or service procedures; or the acquisition of new skills necessary for upgrading to a new job.
- II. **Eligible employers:** Contracted service providers will only enter into OJT contracts and provide OJT reimbursements to eligible employers that meet **all** 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 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,
 - 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; and
 - F. Have adequate workers' compensation or accident insurance coverage is in effect.
- III. **Ineligible employers:** 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:
 - a. 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 East Cascades Workforce Area,

¹ The term "newly hired employee" means an employee who— (i) has not previously been employed by the employer; or (ii) was previously employed by the employer but has been separated from such prior employment for at least 60 consecutive days.



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- b. The employer has terminated the employment of any regular employee with the intention of filling the vacancy with an OJT participant,
 - c. The OJT position infringes on the promotional opportunities of currently employed workers; or
 - d. 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; or
 - iii. Employer has been convicted of violating federal laws and regulations.
 - iv. Public service employment², except to provide disaster relief employment, as specifically authorized in WIOA and under a special Federal disaster relief assistance grant.
 - v. Section 188(a)(3) of WIOA prohibits the use of funds to employ participants to carry out the construction, operation, or maintenance of any part of any facility used for sectarian instruction or as a place for religious worship except for maintenance of facilities that are not primarily used for instruction or worship and are operated by organizations providing services to WIOA participants. (b) 29 CFR part 2, subpart D, governs the circumstances under which Department support, including WIOA Title I financial assistance, may be used to employ or train participants in religious activities. Under that subpart, such assistance may be used for such employment or training only when the assistance is provided indirectly within the meaning of the Establishment Clause of the U.S. Constitution, and not when the assistance is provided directly. That subpart also contains requirements related to equal treatment in Department of Labor programs for religious organizations, and to protecting the religious liberty of Department of Labor social service providers and beneficiaries.
- IV. 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, considering the content of the training, the prior work experience of the participant, and the service strategy of the participant, as appropriate. The contract should include a planned retention period to assure that the trainee has mastered the skills needed to succeed in the occupation.
- V. Employer Involvement in Registered Apprenticeship. Employers are the foundation of every Registered apprenticeship (RA) program and must be the provider of the OJT, for the duration set by the Joint Apprenticeship Training Council (JATC). In addition, every RA program will include a classroom training or academic component to supplement on-the-job learning and training; and must

² "Public service employment" means that you work for the government of the United States, a state, the District of Columbia, a territory or possession of the United States, a city, a municipality, a township, a county, a parish, or a similar government.



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have at least one incremental wage increase commensurate with an increase in skills. Lastly, the completion of the RA Completion Certificate is a recognized post-secondary credential under WIOA and shall be documented as such by the service provider.

- VI. 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 on the job and receiving training.
- A. An On-the-Job Training Plan must outline the skills the participant is expected to learn during the duration of their training.
 - B. 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 50 percent unless prior approval has been given to allow for up to 75 percent. Contracted staff must request a waiver from EC Works to exceed the 50 percent reimbursement rate.
 - ii. The employer reimbursement may only exceed 50 percent of the trainee's wage rate under the following conditions and with approval of EC Works staff:
 - a. The characteristics of the participant(s) with an emphasis on barriers to employment as defined in WIOA Section 3(24),
 - b. The size of the employer with an emphasis on small businesses (i.e., employers with fewer than 100 employees),
 - c. The quality of employer-provided training (e.g., an industry-recognized credential, advancement opportunity) and advancement opportunities,
 - d. The number of employees participating in the training,
 - e. Wage and benefit levels of the employees (both pre and post participation earnings); and
 - f. The relation of the training to the competitiveness of the participant).

Contracted services providers shall consult East Cascades Works Program File Standards for the documentation requirements.

REFERENCES:

Workforce Innovation and Opportunity Act Section 134(b)(3)(E)

WIOA Regulations 20 CFR 681.290 and 680.600

TEGL 19-16 Guidance on Services Provided Through Adult and Dislocated Worker Programs

Training and Employment Guidance Letter (TEGL) 10-16

Training and Employment Guidance Letter (TEGL) 19-16

OAR 589-007-0800

HECC-OWI Policy, Program Engagement-Enrollment, Exit and Services, August 11, 2021