



Workforce Investment Board Mid-Ohio-Valley

Policy #15

Subject: On-the-Job Training

Effective Date: August 24, 2001

Purpose: To establish policy on requirements and benefits available under Workforce Investment Board Mid-Ohio Valley funded OJT

References: WIA section 101(31)(C); and 20 CFR 663.700 through 20 CFR 663.710

Background: The Workforce Investment Act provides for on-the-job training activities. **OJT** 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 local program that provides on the job training for the WIA participant in exchange for the reimbursement of up to 50 percent of the wage rate to compensate for the employer's extraordinary costs

Policy: Workforce Investment Board Mid-Ohio Valley will authorize the use of WIA monies to fund On the Job Training within the region. **WIB MOV will contract for operation of OJT services, using WIB MOV procurement policy (Policy #09).**

The amount of funding to be obligated will be determined as part of the budget process each fiscal year.

The organization(s) awarded a contract to operate OJT will be required to meet the administrative and fiscal guidelines established by the Workforce Investment Act and the WIB MOV. Funds must be used only on individuals who meet priority of service requirements in the Workforce Investment Act and outlined in WIB MOV Policy Letter 03.

*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 Workforce Investment Board Mid-Ohio Valley.

Approved:	WIB Executive Committee	Aug. 24, 2001
	WIB	October 24, 2001
	WIB Executive Committee	November 30, 2001
	WIB	January 24, 2002
	LEO/Executive Committee	June 24, 2005
	WIB, Executive Committee	July 26, 2006
	LEO	July 28, 2006

Attachment 1

On-the-Job Training (OJT)

Definition

- A. On-the-Job Training means training by an employer that is provided to a 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 up to 50 percent of the wage rate of the participant, for the extraordinary costs of providing the training and additional 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 service strategy 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 WIB MOV. 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 employer's 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 opportunities should be encouraged in occupations providing upward mobility and development of new careers.
- Individuals participating in On the Job Training activities must meet priority of service guidelines as outlined by the WIB MOV (Policy 03)
- Training shall be for occupations for which there is a demand **as defined in WIB MOV Policy on Demand and Targeted Occupations (Policy #23)**
- 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, but in no event may reimbursement exceed the later of 6 months or 499 hours of training. 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 Individual Service Strategy. Recognized reference materials including but not limited, the "Dictionary of Occupational Titles" and/or O*Net information should be used in identifying the skill levels of the occupation.

- Wages for OJT opportunities should be a minimum of \$7.00 /hour. This wage minimum may be waived with WIB approval under the following conditions:
 - 1) The contract is written for an employer in an economically distressed county, or
 - 2) The employer provides fringe benefits and/or a wage increase following the probationary and/or training period.

- Training/reimbursement time for OJT opportunities should be a maximum of:

<u>Skill Level</u>	<u>Maximum Training Time</u>
SVP Level 4	375 hours
SVP Level 5	425 hours
SVP Level 6	475 hours
SVP Level 7 & above	499 hours

- The training plan for each individual must document how current skills were evaluated and how the training length was determined based on existing skills.
- Payments shall not exceed the average of 50 percent of the total wages paid by the employer to each participant during the training period.
- Payments to employers are deemed to be in compensation for the extraordinary cost associated with training participants and in compensation for the costs associated with the lower productivity of such participants.
- Contracts for more than 5 employees for any individual employer must have prior approval from the WIB MOV.
- OJT contracts may be written for eligible employed workers under the following conditions:
 - The employee is not earning a self-sufficient wage (based on WIB MOV Priority of Service policy) and training will lead to a wage increase or
 - The employed individual is facing dislocation in the current job and additional training will lead to job retention for the employee **or**
 - 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.

The employer agrees to:

- Hire a participant who would not normally qualify for a particular job due to his/her lack of specific occupational skills required for a position;
- Train the participant for the job through a structured approach;
- Retain the participant at the end of training;
- Be in compliance with all appropriate state and federal tax requirements (WC, UI, etc.);
- Must have 3 permanent employees for every one OJT trainee. (Waiver may be granted by WIB); and
- Agree to provide the same benefits and working conditions as those similarly employed at the company.
- Abide by applicable OSHA and health regulations.

Conditions under which training shall not be approved:

- Seasonal, intermittent or temporary employment
- Employment that is less than 32 hours per week
- Jobs that pay less than minimum wage
- Occupations that are not demand occupations as identified by WIB MOV
- 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 that require licensing (except a driver's license) as a prerequisite to hiring. (Waivers may be granted on a case by case basis.)
- Jobs with an employer who has exhibited a pattern of failing to provide OJT participants with continued long-term employment as regular employees with wages and working conditions at the same level as similarly situated employees.

Contractor Responsibility and Performance Information

- Promotion, in coordination with WIB marketing strategies, of OJT program in the WIB MOV Workforce Investment Area.
- Development of contract with employers requesting OJT services.
- Coordination of participant referral process with Workforce WV System.
- Specific OJT Job Development for individuals with OJT identified as an appropriate training plan. Job Development should focus on established vocational goals of the individual participant.
- Monitoring of contract compliance with employers.
- Reporting OJT activity to WIB on monthly basis.
- Performance Measures of contractor must be in line with those of WIB.