

AREA 2 | SUMMIT & MEDINA WORKFORCE INNOVATION & OPPORTUNITY ACT (WIOA) POLICY LETTER C-09 | ON-THE-JOB TRAINING (OJT)

- I. **SUBJECT:** On-the-Job Training for Adults, Dislocated Workers, and Youth
 - II. **PURPOSE:** The purpose of this policy is to provide guidelines for On-the-Job Training activities for Adults, Dislocated Workers, and Youth.
 - III. **EFFECTIVE DATE:** November 1, 2018
 - IV. **REVISED DATE:** January 1, 2020; July 28, 2020; September 18, 2020; September 2, 2021; July 1, 2022; July 1, 2023
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V. **BACKGROUND**

On-the-Job Training (OJT) is a key method of delivering training services to adults, dislocated workers, and youth. Through OJT activities provided under WIOA, adult, dislocated worker, and youth participants can obtain the skill sets necessary to fill the jobs that are available and that are being created in this economy. OJT is a type of training or work experience that is provided by an employer to a participant. During the training or work experience, the participant is engaged in productive work in a job for which he or she is paid, and the training provides knowledge or skills necessary for the full and adequate performance of the job. Employers must commit to hire and retain the participant at the end of a successful training period. OJT activities support the development of a workforce with skills that meet the needs of employers and provide additional training options for workers and employers. OJT provides an incentive to employers to hire individuals and invest in their skill development, and trainees can earn a wage as they learn. It is a critical tool that helps job seekers enter successful employment.

In Area 2, employers can be reimbursed 50% of their OJT employee's regular "straight time" wages, up to \$10,000.00 total over a period of six or fewer months, depending on the length of time needed to complete training. The OJT employee must work a minimum of 30 hours per week and earn a minimum wage of \$17.00 per hour. Self-sufficiency is the ultimate goal for WIOA job seekers. Area 2 has determined that a minimum of \$17.00 per hour at a full-time job begins to promote self-sufficiency and financial independence.

VI. **REQUIREMENTS**

Participant Eligibility

WIOA-funded OJT is available for eligible WIOA youth, unemployed or under-employed adult and dislocated workers. Employed workers may be eligible for WIOA-funded OJTs when the employee is not earning a self-sufficiency wage as determined by Area 2 (see **Area 2 WIOA Policy Letter A-02 Standard of Self-Sufficiency**). Participants who have completed occupational skills training via an individual training account (ITA) may be considered for OJT if it creates an opportunity for the participant to become employed.

As outlined in Workforce Innovation and Opportunity Act Policy Letter (WIOAPL) 15-09.1, Training Services for Adults and Dislocated Workers, WIOAPL 15-10, Youth Program Services, and rule 5101:14-1-02 of the Ohio Administrative Code, training services may be provided to adults and dislocated workers or work experiences to youth participants if, after an interview, evaluation, or assessment and career planning, the participant has been determined to have the skills and qualifications to successfully participate in an OJT.

OJT participants must receive wages, benefits, and working conditions that are equal to those provided to regular employees who have worked a similar length of time and are doing the same type of work. Appropriate workers' compensation insurance protection must also be provided to all OJT participants by the employer.

OJT participants are not eligible to receive needs-related payments (NRPs) and cannot be family members, through blood or marriage, of the business owner or anyone in their chain of command.

Participant Suitability and Appropriateness

For an individual to qualify for any training services, including OJT, the Area 2 career services providers must determine a person is a suitable and appropriate candidate for training services. Appropriateness is determined by completion of an interview, evaluation or assessment and career planning. Assessments may include, but not limited to:

1. A combination of standardized tests;
2. Inventory of interests;
3. Skills assessments;
4. Career exploration;
5. Evaluation of the participant's soft skills, including time-management, work ethic, and dependability;
6. Past work history; and
7. Available labor market data.

Employer Eligibility

OJT is provided under an agreement with an employer in the public, private non-profit, or private for-profit sector to WIOA eligible participants. Careful consideration should be given when selecting a participating employer. Business functions Area 2 must research before selecting an employer include, but are not limited to:

1. Working conditions (safety and health);
 - a. Area 2 must conduct at least one on-site visit to observe working conditions prior to signing an OJT agreement with an employer.
2. Availability of employer-provided health benefits;

- a. An employer must provide optional health insurance benefits in order to be considered for an OJT agreement.
3. Wage structure;
 - a. An employer must pay its employees no less than twice per month; and
 - b. Employees must be paid a regular wage that is not commission-based.
4. Turnover rates;
 - a. General turnover rates of the employer, as well as longevity and retention of former OJT employees, must be considered.
5. Adequateness of staff and equipment to carry out the training; and
6. Compliance with federal, state, and local laws.

Disqualifying Factors

Employers will be disqualified from participating in the OJT program in the following situations:

1. Businesses must not be presently debarred, suspended, proposed for disbarment, declared ineligible, or voluntarily excluded from participation in transactions by USDOL or the State of Ohio. Tax, environment compliance, and debarment status will be checked using the following resources:
 - a. Federal Debarment Site: <https://www.sam.gov>
 - b. Ohio Department of Taxation: <http://www.tax.ohio.gov>
 - c. Business Filing Search: <http://www.sos.state.oh.us>
2. Businesses must not have any outstanding tax liability for over six months to the state of Ohio. Local workforce development boards (WDB) or CCMEP lead agencies must require the businesses to disclose any known outstanding tax liabilities with Ohio and other states prior to entering into the contract. The local WDB or CCMEP lead agencies may consider existing out-of-state violations when determining eligibility to receive OJT funds. The local WDB or CCMEP lead agency must document any resolution of outstanding tax liability, which may include letters from the business or from the State from which the tax liability occurred.
3. Businesses must not have any outstanding civil, criminal or administrative fines or penalties owed to or pending in the state of Ohio.
4. The WDB or CCMEP lead agency must not enter an agreement with an employer who has previously exhibited a pattern of failing to provide OJT participants with continued long-term employment.
 - a. Three (3) or more incomplete or unfinished training plans during the length of the OJT agreement (one year), for any reason, constitutes a pattern of failing to provide OJT participants with continued long-term employment.
 - b. Should a pattern of failing to provide continued long-term employment be determined, the employer must agree to more intensive monitoring for the remainder of the agreement period. Monitoring of all subsequent OJTs will be monthly rather than at the halfway point and end of training only.
 - c. Additionally, should a pattern of failing to provide continued long-term employment be determined, the employer will become ineligible to receive an OJT from the reverse-referral process for the remainder of the agreement.
 - d. If less than 50% of the employer's OJT employees are employed at the 90-day post-OJT retention point, it is at the discretion of the Area 2 Executive Director whether to renew the employer's OJT agreement with the Area.

Prohibited OJT Activities

The following types of activities are prohibited from OJTs:

1. Sectarian activities: Funds provided to employers for OJT may not be used to employ the participant/trainee in a position involving political or sectarian activities. Furthermore, OJT participants may not assist, promote or deter union organizing, or engage in political activities during work hours.
2. Religious activities: OJT participants are prohibited from being employed in the construction, operation, or maintenance of any facility which is used for religious instruction or worship.
3. Private placement agencies: A private placement agency is not considered to be an eligible employer for WIOA-funded OJTs in Area 2.

Candidate Referral Policy

1. Employers using OJT to train new hires must be willing to accept referrals from the OhioMeansJobs (OMJ) career services staff in the Area. Employers are not required to hire referred candidates but are asked to make a good-faith effort to screen and consider candidates referred by OMJ career services staff.
2. All candidates must be determined suitable and appropriate for the position prior to being granted an OJT. The candidate referred must be determined eligible for OJT, be fully assessed, and be exposed to other career services as appropriate.
3. Area 2 reserves the right to decline an OJT for any "reverse-referral" (referred to OMJ by the company) candidate who is deemed ineligible for WIOA, unsuitable, or inappropriate for the job, field, or OMJ services.

VII. WAGES & REIMBURSEMENT

Wages

The minimum hourly rate an OJT trainee can earn is \$17.00, unless the O*NET OnLine occupation code wage information for the employer's zip code shows a wage higher than \$17.00 per hour at the "low end" (10th percentile for all workers with that job title in that zip code). The employer must begin, at minimum, at that 10th percentile wage on O*NET OnLine if it is higher than \$17.00 per hour and agree to a wage progression plan adding at least \$1.00 per hour to the employee's wage by the end of the training period. Wages must be regular and not commission based.

Reimbursement

Wages are reimbursed directly to the employer after receipt of an invoice (using the OJT Invoice Form) and corresponding pay stubs that clearly state hours worked and hourly wage, as well as approval by Area 2 staff. The payment schedule is as follows:

1. Employer may invoice at the halfway point and end of the training period. NOTE: if training is planned to last 3 months or less, the employer shall invoice once, at the end of the training period;
2. Area 2 shall reimburse the employer half of the trainees' wages at the halfway point should the training plan greater than 3 months;
3. Area 2 shall withhold a portion of the trainees' wages until the trainee has been retained by the employer for 90 days following the end of the training period, verified by the employer AND the trained employee. The withheld amount shall be calculated as follows:

- a. If the total estimated wages to be reimbursed on the training plan is less than or equal to \$4,000.00, Area 2 will withhold \$500.00 from the final reimbursement until the employee has been retained for 90 days following the end of the training period.
- b. If the total estimated wages to be reimbursed on the training plan is greater than \$4,000.00, Area 2 will withhold \$1,000.00 from the final reimbursement until the employee has been retained for 90 days following the end of the training period.
4. Example: A trainee has made \$10,000 in wages at the end of a 3-month training period. Area 2 shall reimburse the employer 50% of those wages, equaling \$5,000.00 total, but withholding \$1,000.00 until the trainee has been confirmed to have been retained by the employer for 90 days following the last day of the agreed training period. The employer would be owed \$4,000.00 at the end of the training period and \$1,000.00 after 90 days of retention.
5. Some employers may be exempt from the reimbursement schedule under certain circumstances which are determined exclusively by the Area 2 Executive Director.
6. Employers utilizing OJT through Summit County are limited to eight (8) plans per annual agreement. Employers utilizing OJT through Medina County are limited to five (5) plans per annual agreement. An OJT plan counts against the limit once one invoice has been processed and paid.

VIII. MONITORING

The service provider staff member working with the participant will conduct/collect the following reports, review the information provided, and pursue any corrective action necessary.

1. Participant six-week monitoring report (every six weeks while participant is training)
 - a. Perform a desk audit of the participant's file;
 - b. Review the IEP/IOP and OJT;
 - c. Follow up with participant via phone call or email to check on the status of training;
 - d. Follow up with the employer via phone call, email, or visit to check on the status of training, including the participant's attendance and performance;
 - e. Report any issues or discrepancies to the program manager for corrective action.
2. Area 2 will conduct oversight of the OJT program by review of the participant files to ensure participants are enrolled and provided intended training services. Additionally, employers' training programs will be reviewed to make certain the programs are in compliance with the standards required of an employer to be eligible to receive OJT funds based on local, state, and federal requirements.

IX. FORMS

Forms that must be completed when executing an OJT Agreement or Training Plan –

1. OJT Agreement SFY 202_
2. Employer Information Sheet
 - a. To be completed with the Business Services Consultant
3. Summit County-Specific W-9
4. OJT Training Plan
 - a. OJT Plan Modification Form if applicable
 - b. OJT Invoice Form
 - c. Trainee Monitoring Report
 - d. Employer Monitoring Report

X. REFERENCES

1. Area 2 WIOA Policy Letter A-02 Standard of Self-Sufficiency
2. ODJFS WIOA Policy Letter 15-22.1 On-the-Job Training (OJT)
3. Workforce Innovation and Opportunity Act, § 134, Public Law 113-128
4. 20 C.F.R. §§ 680.700-680.750 and 683.275
5. 2 C.F.R. Part 200, Appendix II
6. OAC 5101:9-30-04 and 5101:14-1-02
7. USDOL, Training and Employment Guidance Letter No. 19-16
8. USDOL, Training and Employment Guidance Letter No. 13-16