

Approved Date:

Effective Date: July 1, 2023

Subject: On-The-Job Training (OJT) Policy

Purpose

This policy establishes requirements to operate the On-the-Job Training (OJT) program under the Workforce Innovation and Opportunity Act (WIOA) in Iowa Plains.

Definition

- I. On-the-Job Training (OJT) is training by an employer that is provided to a paid participant while engaged in productive work to develop specific occupational skills or obtain specialized skills required by an individual employer that the participant does not already possess.
- II. Training services are available to those participants who are unable to find employment. Need and ability to benefit from WIOA funds for an OJT must be established and the participant must have the skills and qualifications to successfully complete the training program. An individual's need for training shall be determined through an assessment. Participants with marketable skills within an in-demand occupation shall not be deemed eligible for WIOA funded training.
- III. Documentation of assessments, goals and skills that will be obtained from the training must be properly documented in the IEP. Career Planners will work with the participant to identify the skills that need to be developed and their career pathways goals to create their roadmap to success.
- IV. OJT participants become an employee of the company at the start of the training program.
 - A. The employer is required to certify the intention to retain the OJT participant after the reimbursed training period if the OJT participant accomplished the specific occupational skills to be learned as stated in the OJT contract.
 - B. OJT contracts can be written with employers from the public, private non-profit or private-for profit business sectors.
 - C. Business Engagement Consultant(s) and Title I Career Planners work in partnership to facilitate the OJT.

Priority of Service

- I. Priority of Service will be followed as defined in Iowa Plains local policy.

OJT Wages & Benefits

- I. Since OJT is employment, state and federal regulations governing employment situations apply. Participants in an OJT must be compensated at the same rates, including periodic increases, as trainees or employees who are situated in similar occupations by the same employer. Wages paid must not be less than the higher of federal or state minimum wage or the prevailing rates of pay for individuals employed in similar occupations by the same employer. Participants in an OJT must be:
 - A. Provided benefits and working conditions at the same level and to the same extent as other trainees or employees working a similar length of time and doing the same type of job.
 - B. Covered by Worker's Compensation in accordance with State law.
- II. Payment of WIOA Title I funds to employers is compensation for the extraordinary costs of training participants, including costs of classroom training and compensation for costs associated with the lower productivity of such participants.
- III. Payment rate and rate considerations:
 - A. The maximum amount of an OJT contract allowed is \$10,000 per participant.
 - B. The employer is reimbursed up to fifty percent (50%) of the participant's wage rate.
 - C. The employer can be reimbursed up to seventy-five percent (75%) of the wage rate of the participant if any of the following criteria are met:
 1. The characteristics of the participants, whether they are individuals with barriers to employment, their length of unemployment, and their current skill level.
 2. The OJT is with a small business with less than 200 employees.
 3. In other circumstances a waiver can be submitted to the AJC Division Administrator to request the seventy five percent (75%) wage rate reimbursement.
 4. No OJT contract will be longer than six (6) months and will not exceed 1040 hours.
 5. Other circumstances will be considered on a case-by-case basis.

- D. Wages are considered to be monies paid by the employer to the participant. Wages do not include tips, commissions, piece-rate based earnings or non-wage employer fringe benefits.
- E. Any shift differentials or shift rate changes will be clarified, set and included in final OJT contract.
- F. Payment for overtime hours and holidays is allowable.
- G. Holidays may be used as the basis for OJT payments only if the participant actually works and receives training on the holiday.

OJT Contracts

- I. OJT must be provided through a contract to provide a structured occupational training opportunity for the OJT participant to gain the knowledge and competencies necessary to be successful in the occupation in which they receive training.
- II. Before an OJT contract is written, the participant must take the O*NET assessment and complete an informational interview with the employer.
- III. The contract must be completed and signed before the OJT participant starts working. [20 CFR 680.720 (b). The WIOA service provider or other designated staff, and the employer must sign an OJT contract for each OJT participant.
- IV. An OJT contract must be limited to the period of time required for the participant to become proficient in the occupation for which the training is being provided.
- V. No OJT contract will be longer than six (6) months and will not exceed 1040 hours. Under no circumstances can an OJT contract be written for a participant if the hours of training required for the position in which the participant is to be trained is determined to be less than 160 hours.
- VI. Appropriate contract length will be determined by considering the skill requirements of the occupation, the academic and occupational skill level of the participant, and the participant's prior work experience.

- VII. In assessing the time requirements, the Title I career planner will consider the specific skills needed for that occupation as required by that employer for that job; the normal training time for that occupation as shown by O*NET, which may be accessed at <http://www.doleta.gov/programs/onet>; and the specific additional skills to be learned by the OJT participant as determined by the assessment of the participant’s current skills and experience in comparison to what is required for successful performance in that specific occupation.
- VIII. The number of OJT training hours for a participant must be determined using the following standardized chart, unless the local plan contains an alternative methodology for determining the length of OJTs. The hours specified must be considered as a departure point for determining actual training hours. If the total number of training hours needed to successfully train a participant for the OJT position cannot be provided during the maximum contract length allowable, as many training hours as possible must be provided.

| SVP* Level | Hours |
|-------------------|--------------|
| 1 | 80 |
| 2 | 160 |
| 3 | 520 |
| 4 | 1,040 |
| 5 | 2,080 |
| 6+ | 4,160 |

Source: SVP-Scaled Value of Proficiency (O*NET)

- IX. Rationale for OJT. The rationale for the OJT training, including duration, must be entered in the participant’s Individual Employment Plan (IEP).
- X. The hours specified must be considered as a departure point for determining actual training hours.
- XI. If the total number of training hours needed to successfully train a participant for the OJT position cannot be provided during the maximum contract length allowable, as many training hours as possible must be provided.

- XII. The number of training hours for a participant may be increased/decreased based upon the individual circumstances of the participant and will be approved by the board/executive committee on a case-by-case basis.
- XIII. OJTs are designed to be limited in duration as appropriate to the occupation for which the participant is being trained, taking into account the content of the training, prior work experience of the participant, and the service strategy of the participant. The OJT training hours for a participant must be reduced if a participant has prior-related employment or training in the same or similar occupation. Previous training or experience, which occurred so long ago that skills gained from that experience are obsolete, may be disregarded to the extent that those skills need to be relearned or re-acquired.
- XIV. The number of training hours for a participant may be increased based upon the individual circumstances of the participant, such as having a disability. Local plans will need to identify the circumstances for reduction/increase of length of an OJT.
- XV. The number of hours of training for any participant, as well as the process for extending or reducing those training hours from the basic method of determination must be documented in the participant's IEP/ISS.

OJTs for Employed Workers:

- I. OJTs may be written for employed workers when the following additional criteria are met:
 - A. The employee is not earning a self-sufficiency wage as defined in the local plan;
and
 - B. The OJT relates to the introduction of new technologies, introduction to new production or service procedures, upgrading to new jobs that require additional skills, workplace literacy or other appropriate purposes identified in the local plan.
- II. Documentation of the appropriateness including the assessment (participant and employer/business), contract, training plan, progress, skill evaluation, invoices, and other financial records, etc. must be documented in the data management system.

OJTs and Registered Apprenticeship:

- I. OJT contracts may be entered into with Registered Apprenticeship (RA) program sponsors or participating employers in registered apprenticeship programs for the OJT portion of the registered apprenticeship program.
- II. Depending on the length of the RA and State and local OJT policies, these funds may cover some or all of the RA training.

*Equal Opportunity Program / Employer – Auxiliary aids and services available upon request
for individuals with disabilities*