

# On-the-Job (OJT) Policy

## General Requirements

1. On-the-job training (OJT) programs must provide potential new employees (adults, dislocated workers or eligible youth, when appropriate) or eligible underemployed workers with the opportunity to acquire new skills or knowledge essential to job performance.
2. Vermilion County Works (VCW) may approve the purchase of items required for the OJT such as tools, equipment, and uniforms.
3. The participant must be an employee during the OJT contract period and the employer must agree to the contract prior to the person's start date.
  - a. Employment will continue upon successful completion of training. Successful completion includes:
    - 1) Acquired the skills identified for the training program and met the goals of the Training Plan;
    - 2) Complied with all company and employment obligations throughout the training.
  - b. The intent of an OJT is full-time paid employment that leads to self-sufficiency according to the most current Lower Living Standard Income Level.
  - c. Consideration may be given to an OJT placement that is less than full-time if an individual is receiving a service other than education or training and has one or more of the following barriers to employment: adult or youth with a disability, an ex-offender, a youth aging out of foster care, eligible migrant and seasonal farmworkers, an individual who is homeless, or an English language learner, who has low literacy levels and faces substantial cultural barriers.
  - d. Employers may not hire OJT employees as independent contractors.
4. Employers are ineligible for an OJT contract if they have previously exhibited a pattern of failing to provide OJT participants with continued long-term employment with 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.
5. Training does not have to occur at the employer's location.
  - a. OJT providers are *not* subject to the eligibility requirements for WIOA training providers.
  - b. Although these providers are not included in the State Eligible Training Provider List (ETPL), they are considered to be eligible providers of training services (§ 680.530).
6. VCW may combine OJTs with other forms of training.
  - a. As part of a participant's Training Plan, OJT may combine other types of training such as work experience, classroom, and remediation. Training is paid for using an Individual Training Account (ITA).
  - b. OJT may combine with ITAs to support placing participants into Registered Apprenticeship programs (§ 680.750 and § 680.330).

c. When combining OJT with other types of training such as those above, only the OJT hours are eligible for wage reimbursement.

7. OJT participants are not eligible to receive Needs Related Payments (NRPs).

8. OJT participants cannot be immediate family members of the business owner or direct supervisor. The term “immediate family” includes a spouse, child, son-in-law, daughter in-law, parent, mother-in-law, father-in-law, sibling, brother-in-law, sister-in-law, aunt, uncle, niece, nephew, stepparent, stepchild, grandparent, and grandchild.

### **Participant Eligibility**

1. OJT participants must be determined eligible for each applicable funding source (i.e., WIOA Adult, Dislocated Worker, or Youth formula funded programs) and have worked with the career planner to complete the following:

- a. A thorough personal assessment of the participant’s pre-existing knowledge and skills relevant to the OJT position; and
- b. A Training Plan that meets the specific skill requirements for the position at the hiring employer.

2. OJT may be used to train an underemployed customer who currently works at the OJT employer only if the OJT elevates that employee to reach at least a self-sufficient wage through skill upgrade training that relates to any of the following:

- a. The employee is not earning a self-sufficient wage as determined by the Vermilion County Workforce Innovation Board (VCWIB) policy;
- b. The OJT contract complies with the OJT Reimbursement section of this policy;
- c. The OJT relates to the introduction of new technologies, new production or service procedures, an upgrade to a higher-skilled position requiring the individual to learn additional skills;
- d. Other appropriate purposes identified by the VCWIB (§ 680.710); or
- e. VCW may choose to consider OJT contracts for eligible youth when it is appropriate based on the needs identified by the objective assessment of the individual youth and the individual’s likelihood of long-term success if given the opportunity (WIOA Section 129(c)(2)(C)).

### **Employer Eligibility**

1. Employers in the public, private non-profit or private sector may use OJT programs.
2. The wage provided by the employer to the OJT participant must be at least equal to the federal, state or local minimum wage (Fair Labor Standards Act).
3. In addition to meeting the General Requirements of this policy, an employer will be ineligible to receive a WIOA OJT contract at the worksite location if:
  - a. The employer has any other individual on layoff from the same or equivalent position.

- b. The same or equivalent position is open due to a hiring freeze.
  - c. The OJT would infringe upon the promotion of or displacement of currently employed workers or a reduction in their hours.
  - d. The employer has terminated the employment of any regular employee or caused an involuntary reduction in its workforce with the intention of filling the vacancy with OJT participants.
  - e. The positions are for seasonal employment.
4. The employer must have the capacity and commitment to ensuring that the OJT program will address skills gaps specific to the individual and that staff has the time and knowledge to carry out the necessary training.
  5. The employer agrees to cooperate with monitoring and reporting efforts as required by WIOA legislation, including a pre-award survey and adhere to all other applicable local, state and federal rules and regulations.

### **Apprenticeship**

1. VCW may establish an OJT contract with an employer that has a registered apprenticeship program, but only the OJT hours are eligible for wage reimbursement through the OJT portion of the program.
2. Individual Training Accounts (ITAs) and OJT funds may be combined to support placing participants into a registered apprenticeship program, just as they can be used together for a participant who is not in a registered apprenticeship.
  - a. VCW may choose to set the duration or a financial limit on ITAs and OJTs for apprenticeships as defined in the VCWIB policy for such programs.
  - b. An ITA may support the classroom portions of the apprenticeship program, and OJT funds may only support the on-the-job training portions of the program.
3. Depending on the length of the registered apprenticeship and local OJT policies, WIOA OJT funds may cover some or all of the registered apprenticeship training.

### **VCW Responsibility**

1. The position(s) authorized to negotiate OJT contracts on behalf of the VCW is the Executive Director, the Assistant Director and the Special Grants Coordinator.
2. A pre-award assessment that verifies the employer is suitable for OJT and meets state and federal policy and guidelines (i.e., working conditions (safety and health), wage structure, turnover rate, etc.) will be conducted prior to an OJT contract approval.
3. Modifications of the OJT must be submitted to the Assistant Director of VCW as contracting conditions change. Modifications will be reviewed, approved, and signed by the VCW Executive Director and the authorized OJT employer.
4. The maximum length of time the OJT may be in place as well as financial limits for the OJT that considers:

- a) The amount of time it should take the individual named in the contract to become proficient in the occupation for which he or she is hired, as defined by DOL’s Specific Vocational Preparation (SVP), including apprenticeships. WIOA POLICY 15-WIOA-5.2.1.1 MAY 11, 2016 PAGE 6
- b) The participant’s pre-existing knowledge and skills relevant to the position for which he or she is hired based on the required personalized knowledge and skills assessment.
- c) VCW financial limits for OJTs or ITAs.

5.) Staffing agencies shall not be used the employer of record for any OJT.

**OJT Contracts and Modifications**

- 1. Upon determining the employer’s capacity to provide OJT programs, VCW negotiates an OJT contract with the employer to determine an individualized training plan, reimbursement rate and training length, among other contract provisions deemed appropriate by VCW. The standardized OJT contract that VCW will use is attached to this policy.
- 2. VCW is responsible for selecting and contracting with employers in the public, private non-profit or private sector to provide high quality OJT programs (WIOA Section 134(c)(3)(G)(ii); § 680.700).
- 3. VCW must perform a standardized pre-award review, prior to receiving a contract that at a minimum:
  - a. Is documented jointly by a VCW designee and the OJT employer that includes names under which the establishment does or has done business, including the name, title, and address of the company official certifying the information.
  - c. Determine whether WIOA assistance in connection with past or impending job losses at other facilities has occurred; including a review of whether the employer filed any WARN notices within the previous four (4) months.
- 3. The OJT contract must be limited to the period required for each participant to become proficient in the occupation for which he or she is hired and the training is being provided (§ 680.700(c)).
  - a. The appropriate duration and intensity of the training is based on a skills gap assessment that considers the following:
    - 1) The skill requirement of the occupation;
    - 2) The academic and occupational skill level of the participant;
    - 3) Prior work experience; and
    - 4) The participant’s individual employment plan (WIOA Section 134(c)(2)(A)(1)(xii)(II)).
  - b. The skill requirement of the occupation should align with the SVP time estimate determined by USDOL which includes the time required to learn the techniques, acquire the information and develop the skills needed for average performance in a job. This occupational preparation includes time spent in training programs, academic training, and related work experience.

Level	Time
1	*Short demonstration only

2	*Beyond short demonstration up to and including 30 days
3	Over 30 days, up to and including 3 months
4	Over 3 months, up to and including 6 months
5	Over 6 months, up to and including 1 year
6	Over 1 year, up to and including 2 years
7	Over 2 years, up to and including 4 years
8	Over 4 years, up to and including 10 years
9	Over 10 years

4. OJT contracts with eligible employers may allow the employer to provide OJT to a single employee or to multiple employees. In the case of multiple employees, each person must have an individualized assessment of knowledge and skills relevant to the position to determine the content and duration of the OJT training plan.
5. OJT contracts need to be modified if there are significant changes, such as layoffs or changes in federal, state, and local rules and policies pertaining to the implementation of OJTs.

### **OJT Reimbursements**

1. OJT is provided for a WIOA customer in exchange for a negotiated reimbursement wage rate to compensate for the employer's extraordinary costs of training and additional supervision related to the training (WIOA Section 3(44) and § 680.730).
  - a. VCW may approve increasing the reimbursement wage rate up to 75% when taking into account the following factors:
    - 1) The characteristics of the participants taking into consideration whether they are "individuals with barriers to employment" thus, VCWIB policy may provide a higher rate of reimbursement for individuals who will require more intensive training than individuals without barriers;
    - 2) The size of the employer;
      - a) VCW shall consider the size of the business based on the total number of full-time employees at the location where the OJT will occur.
    - 3) The quality of employer-provided training and advancement opportunities; and
    - 4) Other factors VCW determines to be appropriate, including but not limited to: the occupation of training, receipt of an industry-recognized credential after training, the number of employees participating, the participant's work history, labor market conditions, hourly wage, fringe benefits, promotional opportunities, the career planner's overall training budget, etc.
  - b. An employee in OJT may work overtime hours, but overtime hours are not eligible for wage reimbursement.
  - c. Funds provided to employers for OJT must not directly or indirectly assist, promote or deter union organizing. WIOA POLICY 15-WIOA-5.2.1.1 MAY 11, 2016 PAGE 9

- d. WIOA funds may not be used to provide OJT if the business has relocated from a location that resulted in any employee losing his or her job at the original location. In this instance, the business would only be eligible for OJT after they have been operational at the current site for more than 120 days.

### **OJT Monitoring and Evaluation**

1. A VCW designee is also responsible for monitoring local OJT outcomes for participants and employers, including whether the OJT programs result in long-term employment or if applicable, an industry-recognized credential.
2. Local procedures must ensure verification of reimbursement requests, hours worked and the rate of pay by reviewing such documentation as invoices, timesheets and payroll or other documentation prior to payments being made to ensure compliance with program requirements and contract provisions.
3. On-site monitoring and/or desk reviews should be conducted by a VCW designee shortly after the participant begins work, with additional visits scheduled at appropriate intervals (determined by length of OJT Training Plan).
4. The VCW designee must establish periodic reviews with the employer to evaluate the progress of the participants' in the OJT.
5. OJT programs will be subject to State monitoring.