

ON-THE-JOB TRAINING (OJT)

Purpose.

The Workforce Investment Act (WIA) authorizes local workforce development boards (WDBs) to provide training that addresses local needs. Authorized training may include On-the-Job Training (OJT) conducted with a commitment by the employer to continue the employment of an individual upon successful completion of the training. WIA regulations require WDBs to develop policies to administer OJT programs. This document establishes the policy of the Southwest Wisconsin Workforce Development Board for OJT.

Policy.

On-the-Job Training (OJT) provides selected participants with specific occupational skills and assists employers develop a trained workforce. It is an activity frequently utilized as an economic development incentive. The Southwest Wisconsin Workforce Development Board (SWWDB), as allowable under WIA regulations, may provide OJT as one option within the scope of its overall training service plan within the region.

OJT means training in specific occupational skills provided by an employer at the job site to a hired participant while that person is engaged in productive work in a job. An OJT provides the knowledge and/or skills essential to the full and adequate performance of the job. Participants eligible for OJT are those who would not have been hired by an employer due to lack of qualifications/skills and who have been determined to be in need of the training to be productive in the occupation.

SWWDB may enter into a negotiated OJT contract with an employer to provide occupational training in exchange for reimbursement of the participant's wage rate to compensate the employer for the extraordinary costs of training the participant and the costs of the lower productivity of the worker. Employers need not document such extraordinary costs or lower productivity. Training shall be limited to the time required for the participant to become proficient in the occupation with consideration of the skill requirements of the occupation, academic and occupational skills of the participant, prior work experience and the person's individual employment plan (IEP).

The rate of reimbursement is pursuant to the size of the employer's workforce; those with 50 or fewer employees are eligible for up to 90 percent wage reimbursement, those with 51 to 250 employees are eligible for up to 75 percent wage reimbursement and those employers with more than 251 employees are eligible for up to 50 percent wage reimbursement.

An OJT shall be conducted at least 32 hours per week and provide skills that the participant does not already possess. OJT positions shall be matched to the participant's occupational interests and capabilities with training providing transferable skills into a different job/occupation. The employer shall provide OJT participants with wages, benefits and working conditions equal to those provided regular employees who perform the same type of work and have similar seniority.

SWWDB may enter into OJT contracts for employed workers when the employee is not earning a self-sufficient wage, and the training relates to the introduction of new technologies, production or service procedures; upgrading to new jobs that require additional skills; workplace literacy (education); or other purposes determined appropriate by SWWDB in accordance with WIA regulations.

SWWDB shall enter into an OJT contract when the training meets the following performance criteria at the time of completion:

- Training is in one of the region's demand occupations in accordance with the SWWDB Local WIA Plan.
- Employer is a private or public-sector business or non-profit organization located in the SWWDB region.
- The employee's hourly starting wage is at least the local or statewide minimum wage, whichever is higher. SWWDB will give OJT preference to those positions paying at least \$10.00/hour or those providing a lower wage rate but including fringe benefits such as health care coverage and access to retirement-planning tools such as a 401(k) account.
- Training is in an occupation where there is a reasonable expectation of continued and permanent employment upon completion of the training provided performance is satisfactory.
- Employee has the opportunity for upward mobility into a higher-paying job classification.
- Employer has the necessary equipment, materials, and supervision capabilities to provide training.
- Employer does not have workers adversely affected and/or displaced due to lay-off.
- Employer does not have a history of not retained OJT participants or have experienced other OJT related problems.
- Union concurrence should be established when appropriate.

SWWDB shall ensure that the agreement specifies the source of training and specifies that the payments are for the extraordinary training costs of the entity providing the training.

The Board directs the Executive Director to implement this policy, and to develop and maintain procedures that will allow for the implementation of OJT training services in a manner that is practical, uniform and complies with applicable federal and state laws and regulations. The Business and Employer Services Manager is operationally responsible for management of OJT training and oversight of program-operator implementation of OJT services for SWWDB under the direction of the Executive Director.

SWWDB requires that program operators receiving funding shall use OJT as one of the training options available to clients. Each program operator will become familiar with and follow SWWDB policies and procedures for OJT services. Failure to comply with SWWDB policies and procedures may result in costs being disallowed and/or termination of the contract.

References: WIA 1998 Public Law 105-220, section 101(8)
WIA 1998 Federal Rules and Regulations, sections 663.715, 663.720 and 663.730
Department of Labor Letter on Wisconsin's Waiver Requests dated November 13, 2009
Department of Workforce Development WIA Policy Update 09-05 dated October 14, 2009,
RE: Pre-Award Criteria – Business Relocation/Expansion (120 Day Rule)
Department of Labor Training and Employment Guidance Letter #30-09 dated June 8, 2010,
RE: Layoff Aversion Definition and the Appropriate Use of Workforce Investment
Act Funds for Incumbent Worker Training for Layoff Aversion Using a
Waiver

Department of Workforce Development, Division of Employment Training Administrator's
Memo 10-06 dated May 7, 2010, RE: Workforce Investment Act (WVIA) Customized Training
Policies and Procedures

Policy Adopted: September 10, 2008

Policy Revised: This field will coincide with SWWDB Board's approval of revised policy