

Title:	On-the-Job Training	Policy #:	9
Effective Date:	August 20, 2015	Revision Date:	August 31, 2021

Purpose:

To establish a policy for On-the-Job Training conducted through the Workforce Innovation and Opportunity Act (WIOA) for the Virginia Career Works – Piedmont Region (VCW-Piedmont).

Procedure:

The term “On-the-Job Training” (OJT) is defined as:

- Training by an employer that is provided to a paid participant while engaged in productive work in a job that –
 - Provides knowledge or skills essential to the full and adequate performance of the job;
 - Is made available through a program that provides reimbursement to the employer of up to 50 percent of the wage rate of the participant, except as provided in section 134(c)(3)(H), for the extraordinary costs of providing the training and additional supervision related to the training; and
 - 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.

TEGL 03-15 from the U.S. Department of Labor states:

WIOA provides for states and local areas to provide up to 50 percent of the wage rate of the participant to employers for the costs of training while the participant is in the program. Additionally, state and local areas have the flexibility under WIOA to increase the reimbursement level to up to 75 percent taking into account the following factors:

- The characteristics of the participants (e.g. length of unemployment, current skill level and barriers to employment);
- The size of the employer (e.g. small and medium-sized business often have more barriers to participation at lower reimbursement rates);
- The quality of employer-provided training and advancement opportunities; and
- Other factors the state or local boards may determine appropriate (e.g. the number of employees participating in the training, wage and benefit levels of the employees (both pre and post participation earnings)), and relation of the training to the competitiveness of the participant).

OJT contracts may be written for individuals who are eligible for WIOA programs when:

- The individual is not earning a self-sufficient wage (defined by the VCW-Piedmont as 200% of the poverty level);
- The OJT relates to the introduction of new technologies, introduction to new production or services procedures, upgrading to new jobs that require additional skills, workplace literacy, or other appropriate purposes identified by the Local Workforce Investment Board; and
- The OJT meets the identified training needs of the customer, according to an individual employment plan.

Eligible employers:

- May be in the public, private non-profit, or private sector;
- Must have the personnel to provide adequate supervision and training;
 - A training plan signed by the employer must describe the skills to be learned and the responsibilities of the supervisor or trainer.
- Up to 50% of the employee's wages throughout the training will be reimbursable to the employer.
 - Individuals in on-the-job training or individuals employed in activities under this title shall be compensated at the same rates, including periodic increases, as trainees or employees who are similarly situated in similar training, experience, and skills, and such rates shall be in accordance with applicable law, but in no event less than the higher of the rate specified in section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) or the applicable State or local minimum wage law.
- Must provide 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 work [WIOA Sec. 181(a)(1)(A)];
- Must not have a history or 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 [WIOA Sec. 195(4)];
- Must not have relocated from any location in the United States within 120 days, if the relocation resulted in any employee losing his or her job at the original location [20 CFR, Sec. 667.286];
- Must not employ an individual in an OJT assignment if any other individual is on layoff from the same or any substantially equivalent job, the employer has terminated the employment of any regular employee or otherwise reduced the workforce of the employer with the intention of filling the vacancy so created with the participant, or the job is created in a promotional line that will infringe in any way upon the promotional opportunities of currently employed individuals (as of the date of the participation). [WIOA Sec. 181(b)(3)]; and
- Must not use OJT assignments to displace (including a partial displacement, such as a reduction in the hours of nonovertime work, wages, or employment benefits) any currently employed employee (as of the date of the participation) [WIOA Sec. 181(b)(2)(A)]

Duration:

- An OJT contract must be limited to the period of time required for a customer to become proficient in the job for which the training is designed not to exceed 6 months or reimbursement of \$5,000.

- If a job requires the OJT contract to be between 7 to 9 months or reimbursement of \$5,001 to \$7,500, the One-Stop Operator may make the request to the Piedmont Workforce Development Board (PWDB) staff.
- If a job requires the OJT contract to go over \$7,500 or 9 months, the One-Stop Operator may make that request to the PWDB Executive Committee.
- In determining the appropriate length of contract, consideration should be given to the skills requirements of the job, the academic and occupation skill level of the customer, prior work experience, and the customer's individual employment plan.
- The Specific Vocational Preparation (SVP) Code of the Dictionary of Occupational Titles must be used in determining the appropriate length of On-the-Job Training.
 - The SVP code must be 2.0 or higher to qualify for an OJT contract. The training plan shall describe a timeline for completion of training.

Payment of the Agreed Upon Reimbursement to the Employer:

Employers will be compensated in accordance with the agreed upon reimbursement amount based on the hourly wage of the participating employee.

Contract amounts will be limited to maximum reimbursements as follows, unless a waiver is granted by the Workforce Development Board Director:

Provides reimbursement to the employer at a rate based on no more than 50% of the participant/employee wages during the contract performance period not to exceed a total reimbursement of \$5,000 per participant/employee, for up to a maximum of five (5) OJT participants per employer, unless otherwise authorized by PWDB (Piedmont Workforce Development Board). Reimbursement is for actual time worked and does not include hours associated with any form of compensation paid where the participant/employee was not on the job for those hours. The employer must pay the participant/employee an hourly wage of at least \$12.00 per hour, unless otherwise authorized by PWDB. This reimbursement is considered to be for the extraordinary costs incurred for the training and supervision of the participant/employee.

Employers will be reimbursed 50% of wages costs.

To request the reimbursement, the employer will need to send the appropriate time record or other verifiable payroll records and documentation including signatures of the employer and employee for each month or week of participation depending on the duration of the training and a statement of progress made in achieving proficiency.

Performance Information:

- The One Stop Operator shall collect the performance information for each OJT customer according to VCW – Piedmont's Common Measures.

Consumer Reports:

- All OJT performance measures, along with other relevant information, must be made available by the One Stop Operator through the one-stop delivery system.

Approval Determinations and Appeals:

OJT is not an "entitlement" service. The Local Workforce Board or contracted service providers may deny approval of any submitted request for OJT assistance from an employer, or make an early termination of an approved OJT contract. Written reasoning must be provided as to the basis for denial or early termination. Upon receiving such determinations, an employer may file an appeal within 30 days of receiving notice to the Workforce Development Board for consideration at the next regularly scheduled meeting of the Board.

Piedmont Workforce Development Board
C/O Sarah Morton, Workforce Development Director
1001 Research Park Blvd. Suite 301
Charlottesville, VA 22911

Should the Workforce Development Board uphold the staff/provider decision, the employer may file appeal with the State Director of WIOA Title I Administration and Compliance at the Virginia Community College System. (Or any successor with such authority).

State WIOA EO Officer, Shirley Bray-Sledge
P.O. Box 26441
Richmond, VA 23261-6441

References:

VWL 16-05, USDOL TEGL 03-15