

**OhioMeansJobs - Lorain County
Workforce Area 4
On-the-Job Training (OJT) Policy**

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 to 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 4, 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 \$12.50 per hour.

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-sufficient wage as determined by Area 4. 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.

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 4 will consider include, but are not limited to:

- 1) Working conditions (safety and health) - Area 4 will 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 - the employer must provide optional health insurance benefits in order to be considered for an OJT agreement.
- 3) Wage structure - the employer must pay its employees no less than twice per month, and employees must be paid a regular wage that is not commission based.
- 4) Turnover rates - general turnover rates of the employer, as well as longevity and retention of former OJT employees, will be considered.
- 5) Adequateness of staff and equipment to carry out the training.
- 6) Compliance with federal, state and local laws.
- 7) A private placement/staffing agency is not considered to be an eligible employer for WIOA-funded OJTs in Area 4.

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. Area 4 expects to have a 75% completion and retention rate for all

OJT outlines approved. Should there be a pattern of failing to meet this expectation, the employer must provide a plan for improving the rate, and 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. Should a pattern of failing to provide continued long-term employment be determined, the employer will become ineligible to receive additional OJT's for the remainder of the agreement. If less than 50% of the employer's OJT employees are employed at the 90-day post-OJT retention point, it will be at the discretion of the Director whether to renew the employer's OJT agreement with the Area.

- 5) The employer must comply with all applicable federal, state, and local laws and regulations related to providing reasonable working conditions. OJT participants are not permitted to train or work in buildings or surroundings under working conditions that are unsanitary, hazardous or dangerous to the trainee's health or safety.
- 6) If during completion of the Employer Information Form, it is determined that a business has relocated from one U.S. labor market to another and caused dislocation at the original location, OJT's may be available at the new location only after the business has conducted work at the new location for more than 120 days.
- 7) Absent a clear and applicable layoff definition within a collective bargaining agreement or personnel policy governing a local operation, a layoff is defined as termination with the intent to recall. A laid off employee who refuses a recall request is no longer considered to be in layoff status. Layoff recall rights will last six months from the last day of work prior to the layoff. If the employer has laid off someone from similar or substantially equivalent work at the same local operation, no OJT or other subsidized employment is permitted. The work is considered substantially equivalent if the overlap between the work (duties and job titles) is 80% or greater. If more than one person is laid off from a substantially equivalent job, and all these persons worked their last day more than six months before the training plan begins, the OJT may proceed and the employer may be reimbursed regardless of the previous layoffs.
- 8) Training positions covered may not have been created by the displacement of an unsubsidized employee by a WIOA subsidized employee. This includes partial displacement such as reduction in the hours of non-overtime work, wages, or employment benefits. There is no requirement for the job to be similar or substantially equivalent. The key is employer intent: if an unsubsidized employee's earnings are reduced by hiring a WIOA subsidized participant to offset the lost productivity, it is considered displacement.

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.

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 for any open positions being actively recruited. 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 4 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.
- 4) A current employee may be eligible for an OJT if they fall below the self-sufficiency level approved by the Lorain County Workforce Development Board. It is expected that the training will result in a wage gain of \$.50 or more by the end of the training period, or an expected promotion into a new position that will create a backfill opportunity that will be for OMJ to assist with filling.

Maximum Duration of OJT's:

The maximum duration of an OJT shall not exceed 1,040 hours unless extenuating circumstances exist, in which case appropriate documentation is required. Training need, training completion, and training length will be considered on a case-by-case basis using the OJT Training Outline Form. The duration of the Training Period should be estimated as follows:

- 1) The OMJ staff, working with the Employer, determines the job title for the position to be trained for, referencing the Occupational Network (O*NET).
- 2) From O*NET, Special Vocational Preparation (SVP) parameters are obtained. It is within these parameters that the length of training is set.
- 3) An OJT must be limited to the period of time required for a participant to become proficient in the occupation for which training is being provided. In determining the appropriate length of the contract, consideration must be given to the skill requirements of the occupation, the academic and the occupational skill-level of the participant, prior work experience, and the participant's individual employment plan.
- 4) No OJT will be written with a Training Period of more than 26 weeks, unless approved by the Director. Exceptions will include individuals with disabilities or other significant

barriers to employment with consideration of up to 50% more hours than a typical length of a similar OJT, not to exceed 1,560 hours.

Reimbursement:

Wages are reimbursed directly to the employer after receipt of an invoice (using the OJT Invoice Form) and corresponding pay stubs, payroll reports or other approved documentation that clearly state hours worked and hourly wage that has been approved by Area 4 staff. The payment schedule is as follows:

- 1) Employers may submit an invoice for one half of the approved training cost as defined in the OJT Training Outline, when it has been confirmed that the individual has achieved the skills as identified, and it is established that the individual is expected to work at least thirty (30) or more hours each week in the normal course of business after during the retention period.
- 2) Employers may submit a second invoice for the last half of the approved training cost after an additional ninety (90) days has elapsed after the training completion, and the employee has retained employment that is expected to provide thirty (30) hours of work a week or more. Gaps in employment during the retention period will delay retention for the same number of days. Gaps of ninety (90) days or more shall void the right to the retention payment.
- 3) Exceptions may be considered as appropriate by the Director.

Monitoring:

Area 4 staff working with the participant and employer will conduct/collect the following reports, review the information provided, and pursue any corrective action necessary.

- 1) Participant mid-point review via phone call, email or visit to work site to check on the status of training that will be documented in customer file. Staff will report any issues or discrepancies to the appropriate program manager that will be reviewed with the Director for any corrective actions that may be needed.
- 2) Follow up with employer as needed via phone call, email or visit to work site to check on status of training, including the participant's attendance and performance. Staff will report any issues or discrepancies to the appropriate program manager that will be reviewed with the Director for any corrective actions that may be needed.
- 3) Area 4 Program Managers will conduct oversight of the OJT program by review of the

participant files to ensure participants are enrolled and have been provided intended training services, and that all activities have been documented in the case management system.

Forms:

The following forms will be completed when executing an OJT Agreement or Training Plan:

- 1) OJT Non-Financial Agreement
- 2) Employer Information Sheet
- 3) W-9 Request for Taxpayer Identification Number & Certification
- 4) OJT Training Outline
- 5) OJT Invoice Form
- 6) Trainee Monitoring Forms

Approved by WDB - November 18, 2021