



ADMINISTRATIVE BULLETIN NO. 20A

TO: WIA ADULT CONTRACTING AGENCIES  
SUBJECT: ON THE JOB TRAINING (OJT)  
EFFECTIVE: JULY 1, 2009

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I. BACKGROUND:

On-the-Job Training (OJT) (WIA Sec. 101 (31)) is defined as a Training Service under WIA. Adults have the opportunity to earn a credential upon successful completion of an OJT. (See Administrative Bulletin 11A Credential.)

OJT is training by an employer in the private, private non-profit or public sector that is provided to a paid participant while engaged in productive work in a job.

- (a) Provides knowledge or skills essential to the full and adequate performance of the job;
- (b) Provides reimbursement to the employer of up to 50 percent of the wage rate of the participant, for the extraordinary costs of providing the training and additional supervision related to the training; and
- (c) 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. OJT length is up to the time it takes to become proficient in the occupation. Consider the job's skill

requirements, the academic and occupational skills levels of the participant, their prior work experience and the IEP.

OJT is a training option meant to be conducted in the highest skill occupations appropriate for the eligible participant. It is not subsidized employment for low-skill occupations, which need very little training time.

OJT may be sequenced with or accompanied by other types of services such as classroom training or basic skills training.

Only those assessed and for whom OJT has been documented as an appropriate activity may be referred to an employer for OJT.

II. REQUIREMENTS: The following are the requirements for OJT:

- (a) OJT is provided by an employer in the public, private non-profit, or private sector. A contract may be developed between the employer and the local program that provides occupational training for the WIA participant in exchange for the reimbursement of up to 50 percent of the wage rate to compensate for the employer's extraordinary costs.
- (b) The local program must not contract with an employer who has 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.

- (c) An OJT contract must be limited to the period of time required for a participant to become proficient in the occupation for which the training is being provided. In determining the appropriate length of the contract, consideration should be given to the skill requirements of the occupation, the academic and occupational skill level of the participant, prior work experience, and the participant's individual employment plan.

OJT contracts may be written for eligible employed workers when:

- (a) The employee is not earning a self-sufficient wage as determined by the WDC policy;
- (b) The requirements in 20 CFR 663.700 are met; and
- (c) 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 by the WDC. (20 CFR 663.705)

III. GENERAL POLICY: OJT may be made available to employed and unemployed adults who:

- (a) Have met the eligibility requirements for intensive services, have received at least one intensive service under subsection 663.240, and have been determined to be unable to obtain or retain employment through such services;

- (b) After an initial interview, evaluation, or assessment, and case management have been determined by a WorkSource Operator or WorkSource Partner, to be in need of OJT and to have the skills and qualifications to successfully complete the OJT;
- (c) Select an OJT program that is directly linked to the employment opportunities either in the local area or in another area to which the individual is willing to relocate;
- (d) Are unable to obtain grant assistance from other sources to pay the cost of OJT, or require WIA assistance in addition to other sources of grant assistance.
- (e) Are determined eligible in accordance with the State and local priority system.

OJT employers are not required to maintain separate records to document the extraordinary costs actually incurred. OJT employers must maintain adequate time and attendance, payroll, and other records to support amounts reimbursed under OJT contracts.

The OJT 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. The training length should be realistic in terms of how much time is needed (as judged by any prudent person and without exceeding the maximum times established by the O\*NET, DOT or SVP Codes) to learn the skills of the job. OJT's should vary in the costs negotiated and not automatically be written for the same amount of reimbursement or the same length of time without regard to individual training needs. A one-page

summation on the method used to define the length and rate of each OJT should be included as part of the OJT record.

OJT employers can be reimbursed for only those hours actually spent in training while on the job. Reimbursement cannot be paid for a) work performed outside the term of the contract; or b) during periods of work stoppages (e.g. strikes, holidays, vacation, sick leave, weather, or other emergency-related closing).

**Reverse Referral.** An individual referred to WIA by an employer may not be enrolled in an OJT with that employer unless it is documented as an appropriate activity and all other eligibility requirements are met.

The OJT Agency will establish a procedure for selection and evaluation of OJT employers, which will ensure placement of participants who successfully complete training. **This procedure must be approved by the WDC.**

An OJT contract shall not be entered into with an employer who has 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. (20 CFR 663.700)(b)

Each contract with an OJT employer shall specify the outreach, recruitment, supplemental training, counseling, placement, monitoring, and follow-up services to be provided with or without cost by the 1) OJT agency, 2) OJT employer, and 3) other agencies.

Each contract with an OJT employer shall be periodically monitored onsite sufficiently to assure the propriety of reimbursements and that training is being provided as specified in the contract.

The OJT contract should be negotiated and should be understood by both the employer and participant before the hire date. This is a safeguard to prevent the expenditure of WIA funds on participants who would have been hired and trained by an employer in the absence of WIA. If there is no program intervention on the participant's behalf or service to the participant or employer, no WIA payment is justified.

It is required to use the attached model OJT Contract.

#### IV. GUIDELINES:

A. Trigger List: The following situations represent risks to the integrity of the OJT program. Contracting under these conditions should be carefully considered.

- The participant was previously employed with, a relative of, or referred by the OJT employer;
- The OJT employer failed to retain previous OJT participants;
- The participant has similar job experiences as the proposed OJT position;

- The OJT wage is not consistent with the wages paid for similar employment in the local labor market;
- The employer has a high turnover rate or there are indications of a poor work environment;
- The employer has poor screening and hiring practices;
- The participant's information is inconsistent with the employer's.

B. Prohibited Occupations: OJT contracts shall not be written for the following occupations:

- Occupations that have not traditionally required specific occupational training as a requirement for employment;
- Occupations where the principal source of income is tips, commissions or piecework;
- Intermittent or seasonal occupations;
- Occupations with a substantial number of experienced workers and able unemployed workers in the local labor market;
- Occupations with above average turnover.
- Occupations with relocating companies for the first 120 days after commencing operations and where job loss occurred at original site.

- Occupations related to political, electoral, or partisan activities.

C. Overtime Hours for OJT:

OJT payments may only be paid for regular wages paid by the employer.

Payment may not be based on overtime, shift differential, premium pay and other nonregular wages. This does not preclude a participant from working overtime; however, the reimbursement to the employer must be based on the regular wage rate.

D. Nepotism and OJT's:

South Central Workforce Council grant recipients and other subrecipients will avoid organizational conflict of interest and their staff will avoid personal conflicts of interest and the appearance of conflict of interest in disbursing funds for any purpose and in the conduct of procurement activities. OJT employers are considered "subrecipients" under the Act and the referral of individuals who have immediate family members engaged in an administrative capacity (persons with selection, hiring, placement, or supervisory responsibilities for OJT trainees) with the OJT employer is strongly discouraged. At a minimum, the family member must declare a conflict of interest and avoid any involvement in the selection, hiring or supervision of the participant. Furthermore, unrelated individuals should also be referred and assurances should be sought that the OJT employer used regular recruitment and hiring practices to fill the position and gave fair and equal consideration to all other applicants for the Job.

E. In order to assure that participants on OJT contracts do not represent a disproportionate share of the employer's workforce the following standards apply:

- 1.) OJT contracts must represent a reasonable percentage of the employer workforce.
- 2.) The rationale and justification for the number of OJT contracts must be documented.
- 3.) The extraordinary training associated with OJT must be documented.

Attachment 1      OJT Agreement