



On-The-Job Training – OJT

Effective Date

4/22/2021

Policy

NEIWDB will follow State ePolicy with the addition of the following:

<https://epolicy.iwd.iowa.gov/Policy/Index?id=146&Version=1#>

OJT WAGES & BENEFITS

On-the-Job Training (OJT) in Northeast Iowa can be for a maximum of \$10,000 or six months depending on the current skills and the skills required in the new job. On-the-Job-Training occurs when objective assessment indicates that this will be the best process to meet the participant's needs. Specific training lengths are determined by input from the employer as to training time needed according to the skill level of the job and by the applicant's past work experience and vocational training background.

Participants will be enrolled in specific OJT that meets their needs and has met the criteria established by Northeast Iowa. Upon development of this training, the employer will complete a pre- award survey determining specific job skills to be learned and other information needed by the administrative entity to determine if a contract will be written. Northeast Iowa has established working relationships with numerous area employers committed to providing quality training to identified participants and retention of these individuals after training.

The payment by WIOA must not exceed fifty percent (50%) of the wages paid by the employer to the participant during the period of the training agreement. Reimbursement will be made at 50% of the regular hourly rate for actual hours worked including overtime hours. Under no circumstances will overtime rates or holiday rates be reimbursed.

EMPLOYER ELIGIBILITY

An OJT contract will not be written with an individual's current employer. The **Title I Director** may allow exceptions to this rule if an OJT with an individual's current employer would allow them to move from a part-time or temporary status to a full-time permanent status **-and-** the OJT is for a position that is substantially different than the individual's current job with that employer. If a participant is currently on an OJT contract with an employer and has a job classification change, a contract modification will be written to reflect that change. Specifics of job duties, training hours required, and other changes will be negotiated with the employer. The SVP codes will be utilized as well as the input of the employer to determine how much additional training time could be authorized with approval of the **Title I Director**.

NEIWDB re-contracting procedures will consist of the following:

- Prior to re-contracting with a service provider, a review process of past performance of that service provider will take place. A criteria checklist will be used to determine whether to use an employer as a training site for an OJT.
- Does an employer consistently meet training goals and provide adequate training in key skill areas to be learned on the job?
- Is there a pattern of transition of trainees to employment at the end of a contract, not including those terminated for good cause as identified? (After at least 3 contracts, at least a 65% retention rate).
- Is there a pattern of retaining an employee who completed training past the 90- day follow-up? (After at least 3 contracts, at least a 65% retention rate).
- Is there evidence of good safety procedures/conditions in place? Does the company do training as stated in the Hazardous Materials Act? (Businesses will be toured prior to development of a contract to determine above).
- Has the employer in past contracts cooperatively provided documentation needed in a timely manner to meet monitoring and auditing needs?
- If a contractor refused to provide necessary auditing or monitoring information, such as payroll records, time sheets/cards, etc., no additional contracts will be written.
- If the employer in the past, has not cooperated and if conditions have changed, i.e., management, personnel, or procedures, this may warrant another trial contract to be negotiated.
- After any allegation that an employer has failed to provide adequate training in key skill areas as called for in the contract, the program supervisor/designee will meet with the employer to address the problem. If the allegation can be substantiated and cannot be resolved satisfactorily, no additional contracts will be written until a resolution occurs.
- When, after touring a prospective training site, unsafe working conditions are found to exist, or safety procedures are not in place, or they do not seem to be in compliance with the Hazardous Materials Act, administrative entity staff will discuss the problem with the contractor. If the contractor agrees to rectify the problem by developing safety procedures or removing the unsafe or unsanitary working conditions the contract could be written. If a subsequent check indicates that no effort is being made to address the problem, no additional contracts will be negotiated until all safety concerns are fully resolved.
- When after a minimum of 3 contracts an employer fails to meet a 65% retention rate (except those terminated for good cause) at the completion of the contract or follow-up, no additional contracts will be written. (Examples of good cause are absenteeism, disciplinary problems, lack of progress, etc.).
- When after it has been conclusively proven that an employer had intentionally altered claim forms, time sheets, payroll records, evaluation, or other records to defraud the program of funds, no additional contracts will be written.

OJT PAYMENT & TRAINING LENGTH

Final approval of the length of an OJT contract at a rate of 50% or less reimbursement will be approved by a Program Supervisor. Current reimbursement rate is 50% of training hours worked; however, contingent upon high budgetary obligations and NEIWDB approval, the reimbursement rate may be reduced.



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An OJT contract may be modified when the employer notifies the specialist of training wage increases if the budget allows. However, if the specialist is not informed in advance of that change, there is no requirement on the part of WIOA to reimburse for the difference.

OJT CONTRACTS

The general length of the OJT contracts is based on skill, i.e., the higher the skill, the longer the contract. The number of hours is determined by using information coded in two Departments of Labor publications (1) O*NET, Dictionary of Occupational Titles, or Career Info Net and (2) Specific Vocational Preparation Estimates (SVP). To determine the length of training, the following chart will be used:

SVP Level	Hours
1	80
2	160
3	520
4	1040
5	2080
6+	4160

The following factors will be used to modify the length of an OJT should specific circumstances exist:

- If the pre-award employer request for OJT indicates a shorter training length is appropriate, then the shorter training length will be used.
- If a client has previous work experience or classroom training in that job title, the actual length of an OJT contract will be reduced by 40 hours for every one month of previous work experience or classroom training in that job title. If less than one month, the contract will be reduced by 10 hours for each week.
- If the participant has had some hours of job specific classroom training in that field as part of other job specific training, the OJT will be shortened by the hours of that specific related OST time. Northeast Iowa will reduce each OJT by 40 hours for each month of previous directly related training and/or directly related work experience. Previous training or experience which occurred so long ago that skills gained from that experience are obsolete may be disregarded to the extent that those skills need to be relearned or reacquired.
- Under normal conditions, an OJT contract may not exceed 26 weeks in length.
- Additional training time above the actual length of an OJT contract can be allowed if approved by the **NEIWDB Executive Director** when extenuating circumstances exist, such as a client who is disabled, an older individual (55 years or older) or a member of other targeted groups or having a barrier to employment. The contract length can be extended to a maximum of 50% above the actual length of the contract to a maximum of 26 weeks.
- Part-time OJT contracts are permitted if approved by the **Title I Director** for participants who are disabled, older individuals (55 years of age or older), members of other targeted groups who are able to work only part-time, or in-school youth participants. Part-time contracts may be written



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for a length of up to 499 hours and a maximum twelve (12) month time period.

- Part-time OJT's can be written in conjunction with OST training when the employment goals at the end of the training are substantially the same, or the OJT experience would aid the OST graduate when beginning the work search, or the OJT would become full-time upon completion of the OST.
- Part-time OJT's can also be written if they meet all other criteria and will become full-time positions by the end of the training period. If part-time OJT's are written, training costs will be reimbursed at the same rate as full-time OJT's, up to 50% of the training wages, and using the same SVP conversion rate.
- A minimum of 160 hours has been established for OJT length except in the case of adjusted training lengths due to classroom training or past work experience in this field. In these cases, a minimum of less than 160 hours of On-the-Job-Training may be justified.

OTHER ONSITE TRAINING

Actual training costs above and beyond the training normally provided by the employer, to regular employees, may be reimbursed by WIOA, as well as participant support services which allow the participant to receive the training.

The employer will be responsible for the service provider's fees and may be reimbursed for this additional training based on pre-approval by the **NEIWDB Executive Director**. Cost of actual training hours may be reimbursed to the employer at the normal reimbursement rate if the participant is receiving wages during that training time.