



**Workforce Innovation and Opportunity Act Policy**  
**Workforce Snohomish**

**On the Job Training (OJT)**

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Policy Number: 1150

Effective Date: July 1, 2016

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**1. BACKGROUND**

The Workforce Innovation and Opportunity Act (WIOA) allows for the provision of an on-the-job training (OJT) activity for eligible participants in the WIOA Title I Program through Training Services. The term “on-the-job training” (OJT) means training provided by an employer in the public, private non-profit, or private for profit sector that is provided to a paid employee while engaged in productive work in a job that:

**A.**

- (i) provides knowledge or skills essential to the full and adequate performance of the job;
- (ii) provides reimbursement to the employer of up to 75% of the wage rate for the participant for the extraordinary cost of providing training and additional supervision related to the training (see subpart ii);
- (iii) 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 Individual Employment Plan (IEP) or Career Pathway for the participant, as appropriate.

**B.**

The employer reimbursement rate for any OJT cannot exceed 75 percent. The following factors must be considered when the employer reimbursement rate exceeds 50 percent:

- (i) The characteristics of the participant(s) with an emphasis on barriers to employment as defined in WIOA Section 3(24);
- (ii) The size of the employer with an emphasis on small businesses (i.e., employers with fewer than 250 employees);
- (iii) The quality of employer-provided training (e.g., an industry-recognized credential, advancement opportunity);
- (iv) The number of participants the employer agrees to sponsor;

- (v) The wage and benefit level of the participant (both during and after completion of the OJT)
- (vi) The OJT position is an in-demand occupation as defined by WIOA Section 3(23) and determined by ESD labor market information;
- (vii) The OJT employer is
  - in an in-demand industry as defined by WIOA section 3(23) and determined by ESD labor market information; or
  - in an in-balance industry as determined by ESD labor market information; or
  - in a declining industry, but there are compelling reasons (e.g., evidence of long-term viability of the employer) justifying reimbursement above 50 percent.
- (viii) The employer is current in unemployment insurance and workers' compensation taxes, penalties, and/or interest or related payment plan.

OJT Providers must document the factor(s) that were considered in approving an increase in the employer reimbursement level above 50 percent up to 75 percent. OJT Over 50 Percent Documentation Form, Attachment (E), must be reviewed and signed by Workforce Snohomish before any OJT contract with a reimbursement rate over 50% may be executed.

Workforce Snohomish has chosen to incorporate on-the-job training employer reimbursement within the WIOA Title I PTA policy umbrella. Within the PTA structure, however, on-the-job training employer reimbursement obligations and expenditures are to be tracked separately from other PTA activities and are subject to the additional policies below.

## **2. POLICY**

### **A. General Policy**

On-the-job training shall be designed to promote the development of occupational skills in growth industries with career advancement potential. It may be offered concurrently or sequentially with other core, intensive, and/or training activities which promote the participant's self-sufficiency as defined by Workforce Snohomish and in the participant's IEP/Career Pathway.

On-the-job training may be made available to employed and unemployed adults and dislocated workers who:

- ✓ Have met the eligibility requirements for the Adult or Dislocated Worker Program, as appropriate, and for training services;
- ✓ Have been determined to be in need of, and able to benefit from, participation in on-the-job training to achieve self-sufficiency as documented in an IEP/Career Pathway;
- ✓ Select an on-the-job training position directly linked to employment opportunities leading to self-sufficiency in Snohomish County or in another Workforce Development Area to which the participant is willing to commute or relocate;
- ✓ Are unable to obtain funding for the employer reimbursement from another non-WIOA.

## B. Additional Requirements

The following requirements apply to all on-the-job training positions:

- (1) An ON-THE-JOB TRAINING CONTRACT, provided in Attachment A, may be developed between the employer and the OJT Provider for the provision of extraordinary training and supervision in exchange for reimbursement of up to 75% of the participant's wages for the time period specified in the Contract.
- (2) The OJT Provider may not enter into an ON-THE-JOB TRAINING CONTRACT with an employer who has previously failed to provide any on-the-job training participant 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 or who has a ***pattern of failing*** to retain employees following cessation of the Contract.
- (3) Any ON-THE-JOB TRAINING CONTRACT developed 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 must be given to the skill requirements of the occupation, the academic and occupational skill levels of the participant, the participant's prior work experience, and the participant's IEP/Career Pathway.
- (4) The OJT Provider is prohibited from charging a fee to a participant for referral to or placement into an on-the-job training position.

ON-THE-JOB TRAINING CONTRACTS may be written for eligible employed workers when:

- The employee is not earning a wage which meets the definition of self-sufficiency established by Workforce Snohomish;
- It established that the employer has not previously failed to provide on-the-job training participants 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 or who has a ***pattern of failing*** to retain employees following cessation of the Contract; and
- The on-the-job training position relates to the introduction of new technologies, the introduction of new production or service procedures; the upgrading of participants to new jobs that require additional skills or workplace literacy.

On-the-job training employers should be fully informed that the subsidy they are receiving is to support the extraordinary cost of training and supervision of the participant given the participant's skills and the position for which s/he is being hired by the employer.

On-the-job training employers are not required to maintain separate records to document that extraordinary costs were actually incurred. On-the-job training employers must, however, maintain adequate participant time and attendance, payroll, and other records to support any invoice submitted the OJT Provider for the reimbursement of such costs.

## C. Local Operational Definition Used in Developing On-The-Job-Training Contracts

The local operational definition for terms italicized in the descriptions above has been established by Workforce Snohomish and is provided below.

An employer which has had five or more ON-THE-JOB TRAINING CONTRACTS within the last two years shall be considered as having a ***pattern of failing*** if the 12 month retention rate of employees following the cessation of ON-THE-JOB TRAINING CONTRACTS is less than 60%.

#### **D. On-the-job Training Contract**

The WorkSource Snohomish County ON-THE-JOB TRAINING CONTRACT is to be used to establish all on-the-job training assignments. Documentation of the method used to determine the length of a given ON-THE-JOB TRAINING CONTRACT should be attached to the Contract as an addendum.

A single ON-THE-JOB TRAINING CONTRACT may be written for group training with a single training site provided the working conditions, job description, training plan, wage rates, and terms of the Contract are the same for all participants covered by the Contract.

#### **E. Compensation**

On-the-job training employers must submit an invoice and supporting documents (i.e. Timesheets) to the OJT Provider which document the hours of training the participant received through the ON-THE-JOB TRAINING CONTRACT. An employer can only be reimbursed for actual hours the participant spent in training while on the job. Reimbursement cannot be made for work performed outside the term of the Contract or during periods of work stoppage (e.g., strikes, holidays, vacation, sick leave, weather, or other emergency-related closing).

Payment may not be made for overtime, shift differential, premium pay, and other non-regular wages. This does not preclude a participant from working such hours, only for reimbursing the employer for up to 75% of her/his wages per the terms of the ON-THE-JOB TRAINING CONTRACT.

#### **F. Monitoring**

Each ON-THE-JOB TRAINING CONTRACT shall be monitored by the OJT Provider through on-site visits with sufficient regularity to ensure the propriety of reimbursement claims and the provision of training as specified in the Contract.

#### **G. Additional OJT Provider Responsibilities**

It is the responsibility of the OJT Provider to review and approve all ON-THE-JOB TRAINING CONTRACTS within established policies; to maintain a system of obligating and re-obligating funds; to maintain a time and attendance and employer reimbursement system; to track all on-the-job training employer reimbursement expenditures by participant; to ensure all record of eligibility for participation in on-the-job training, the ON-THE-JOB TRAINING CONTRACT and associated documents, time and attendance records, employer reimbursement information, and all progress reports for a given participant are maintained in the participant file; and to provide

any and all Federal, State, County, and Workforce Snohomish monitors and auditors with access to such records given reasonable notice.

The OJT Provider should carefully consider entering into an ON-THE-JOB TRAINING CONTRACT with an employer under the following circumstances:

- (i) The participant was previously employed by or was referred by the prospective on-the-job training employer;
- (ii) The participant's assessment indicates that her/his education and/or work history has prepared her/him for similar employment as the proposed training position;
- (iii) The employer has a high turnover rate or other indicators of a potentially negative work environment;
- (iv) The employer has rudimentary recruitment, screening, hiring, and/or new employee orientation practices.

The OJT Provider shall not enter into ON-THE-JOB TRAINING CONTRACTS for the following occupations:

- Occupations that do not require specific occupational training for employment;
- Occupations where the principal source of compensation is tips, commission, or piecework;
- Intermittent or seasonal occupations;
- Occupations with a substantial number of experienced workers and/or unemployed workers in the local labor market;
- Occupations with relocating companies for the first 120 days after commencing operation at its present location and where job loss has occurred at the prior site;
- Occupations from which the employer has employees currently laid off from the same position;
- Occupations related to political, electoral, or partisan activities.

The OJT Provider shall ensure that participants on ON-THE-JOB TRAINING CONTRACTS do not represent a disproportionate share of the employer's workforce. The maximum ratio of on-the-job training to regular, unsubsidized employees shall be less than or equal to one to four.

The OJT Provider shall ensure that no person participating in an on-the-job training position shall be hired and/or supervised by a relative. For the purpose of this policy, "relative" shall include mother, father, son, daughter, grandfather, grandmother, grandson, granddaughter, step-child, foster parent, foster child, mother-in-law, father-in-law, daughter-in-law, son-in-law, sister-in-law, and brother-in-law.

#### **H. Conflict of Interest Requirements Applicable to All WorkSource Snohomish County Partners**

All WorkSource partner agencies will avoid organization conflict of interest and their staff will avoid personal conflict of interest and the appearance of conflict of interest in the development and monitoring of ON-THE-JOB TRAINING CONTRACT and positions.

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**Reference:** Washington State ESD Policy #5606

**Supersedes:** 11-05

**Working Documents:**

- A. OJT Employer Contract
- B. Employer Billing Information
- C. OJT Invoice and Progress report
- D. Participant Responsibilities
- E. Over 50% reimbursement rate documentation form