



WIOA & WFNJ FUNDED ON-THE-JOB TRAINING POLICY

Background and Purpose

The Workforce Innovation and Opportunity Act (WIOA) defines “on-the-job training” (OJT) 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;
- Provides reimbursement to the employer of up to 50 percent of the wage rate of the participant for the extraordinary costs of providing training and additional supervision related to training; and
- Is limited in duration 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.

Adopted: **August 3, 2022**

The Gloucester County Workforce Development Board adopts this policy to guide the investment of WIOA Title I and WFNJ funds in OJT opportunities. The investment of funds will be driven by our strategic priorities, high-priority occupations, and related targeted industry clusters but most importantly by local employers with unmet workforce needs.

References:

- Workforce Innovation and Opportunity Act (WIOA), Public law 113-128, enacted July 22, 2014
- Workforce Innovation and Opportunity Act Regulations, 20 CFR Parts 680,683
- Training and Employment Guidance Letter WIOA 19-16
- New Jersey Department of Labor NJWIN 13-15 and WD-PY21-3

Fund Reimbursement

The maximum amount for each WIOA-funded OJT per participant is \$10,000. GCWDB will typically reimburse an eligible employer up to 50% of an OJT participant’s wage rate during the OJT (for the extraordinary costs of providing the training, including the potential lower productivity of the OJT participants, and additional supervision for the OJT participants). Providers must review actual costs to ensure they are commensurate with the type of training being proposed.

- In limited circumstances, based on factors including employer size, career seeker barriers, availability of funding, and other applicable factors, the workforce system may determine it is appropriate for the Executive Director of the GCWDB to waive the \$10,000 funding cap to provide additional support.
- The GCWDB will report the number of waivers provided and the factors that led to the issuance of a waiver on a semi-annual basis to the WDB Executive Board.

For those OJT opportunities that are funded through temporary, grants or any other federal/state dollars, the costs per trainee can exceed the training cap established by this policy up to the maximum amount permitted by the relevant funding source.

In limited circumstances, the GCWDB will increase the reimbursement level to up to 90% taking into account the following factors:

- The size of the employer with emphasis on small businesses;
- The characteristics of the participants taking into consideration whether they are individuals with barriers to employment;
- The quality of the employer-provided training and advancement opportunities, for example, if the OJT contract is for an in-demand occupation and will lead to an industry-recognized credential;
- Other relevant factors, as appropriate.

The Gloucester County WDB must document the factors used when deciding to increase the wage reimbursement levels above 50% to 90%.

Participant Eligibility

Participant Eligibility is conducted by One-Stop Career/American Job Center staff.

New Jersey One-Stop Career/American Job Center customers who meet the eligibility requirements for WIOA Title I Adult, Dislocated Worker, or Youth and WFNJ programs have access to OJT opportunities. The development and refinement of the Individual Employment Plans (IEP) and/or Individualized Services Strategies (ISS) is a critical step in ensuring that an OJT opportunity matches the skill needs, interests, and assets of the individual participant being served.

OJT opportunities may be made available to unemployed participants and dislocated workers who are:

- Assessed as benefitting from an OJT opportunity: After assessment and career-planning staff have determined that the individual is unlikely or unable to obtain or retain employment that leads to economic self-sufficiency or unable to obtain wages comparable to or higher than wages from previous employment through career services without additional training. In addition, the individual has been assessed to have the skills and qualifications to participate successfully in an OJT opportunity.
- Align with priority populations and sectors identified by the local area: Individuals determined eligible following State and local priority systems, particularly within adult funding streams, must be prioritized. Additionally, participant interest and priority sector alignment in local areas offer criteria for prioritizing OJT opportunities. (See Gloucester County WDB Policy regarding Priority of Service)
- Interested in occupations with available employment opportunities: An individual has selected a program of training services that are directly linked to the employment opportunities in the local area or the planning region, or in another area to which the individuals are willing to commute or relocate.

The participant's case file must contain a determination of the need for training services as determined through ongoing assessment and career planning activities and informed by local labor market information and training provider performance information. In addition to objective trainee assessment, all OJT requests must be reasonable based on factors such as trainee experience, appropriate hourly wages, trainee needs, work experience, and any other relevant factors.

Customers of the One-Stop Career / American Job Center who meet the eligibility requirements for training will have access to OJT opportunities. The length of training is determined by the approved training plan outlined in the Individual Employment Plan (IEP). OJT opportunities may be made available to unemployed adults and dislocated workers as well as Work First New Jersey participants who:

- After an interview, evaluation or assessment, and career planning, the staff has determined that the individual:
 - Is unlikely or unable to obtain or retain employment that leads to economic self-sufficiency or wages comparable to or higher than wages from previous employment through career services.

- Needs training services to obtain or retain employment leading to economic self-sufficiency or wages comparable to or higher than wages from previous employment.
- Has the skills and qualifications (suitability) to participate successfully in training services.
- Has selected a program of training services that are directly linked to the employment opportunities in the local area or the planning region, or in another area to which the individuals are willing to commute or related.
- Are unable to obtain grant assistance from other sources to pay for training.
- Are determined eligible following the State and local priority of service system, if training services are provided through the WIOA/WFJ funding streams.

The participant's case file must contain a determination of the need for training services as determined through the interview, evaluation, or assessment and career planning informed local labor market information and training provider performance information, or through any other career services received. In addition to objective trainee assessments, all OJT requests are subject to review by the Gloucester County Workforce Development Board (GCWDB) and must be reasonable based on factors such as trainee experience, appropriate hourly wages, and trainee needs, work experience, and any other relevant factors.

OJT for Employed Workers

An individual who is employed may also qualify for an OJT if he/she is considered underemployed. An individual is determined to be underemployed if:

- The employee is currently working but not earning a wage of at least \$15.00 /hour;
- The employee is currently working in a temporary capacity and the OJT facilitates a transition to full-time employment;
- The employee meets all other applicable requirements; and
- The training 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 as identified by the GCWDB.

An individual who was previously employed in a full-time position that paid more than \$15.00 wage will not be eligible for an OJT if that individual intentionally resigned from the previous position to receive OJT funding.

Employer Eligibility and Requirements

OJT's are available to employers or registered apprenticeship program sponsors in the public, private non-profit, or private sectors. (For use of OJT contracts for apprenticeship program see GCWDB WIOA Apprenticeship Policy). An OJT contract will not be approved for an employer who has received payments under previous contracts under WIOA if the employer has exhibited a pattern of failing to provide OJT participants with continued long-term employment as regular employees with wages, benefits (including health benefits), and working conditions at the same level and to the same extent as other employees working a similar length of time and doing the same type of work. OJT funds will not be used directly or indirectly to aid in the filling of a job opening that is vacant because the former occupant is on strike or is being locked out in the course of a labor dispute, or the filling of which is otherwise an issue in a labor dispute involving a work stoppage. The OJT intended to assist career seekers to reach and surpass a self-sufficient wage threshold. Employers engaging in OJTs at a minimum of \$15.00 per hour must demonstrate career pathways that lead to positions exceeding \$15.00.

Employee Compensation

To qualify for an OJT, an employer must certify that the position will minimally meet the wage of \$15.00/hour at a minimum of 30 hours per week with evidence that the position is on a career pathway toward a higher level and/or higher paying jobs upon completing the OJT.

- Based on the priorities outlined in WIOA and the guiding principles of OJTs generally, in situations where collective bargaining agreements or similar formal arrangements exist and, as a result of these agreements, employers can show an actual career pathway progression by which an individual will attain self-sufficiency within a reasonable period, GCWDB may utilize its discretion to extend the time in which an individual is expected to reach the self-sufficiency wage level.
- Individuals in OJTs must be compensated at the same rates, including periodic increases, as trainees or employees who are similarly situated in similar occupations by the same employer and who have similar training, experience, and skills. Individuals in OJTs must also be offered 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.

Employer Referrals

- Employers are encouraged to refer interested candidates to the Gloucester County One-Stop/American Job Centers for services.
- Employers must accept the referral of, consider and interview One-Stop/American Job Center referred OJT trainees.

Length of Training

An OJT contract will be limited to the period 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 will be given to the skill requirement of the occupation, the academic, and occupational skill level of the participant, prior work experience, and the participant's employment plan.

Regulatory Limitations and Prohibited Activities

- WIOA Title I and WFNJ funds must NOT be spent on:
 - Construction, purchase of facilities or buildings, or other capital expenditures for improvement of land or buildings;
 - Sectarian activities;
 - Wages of incumbent employees during their participation in economic development activities provided through a Statewide workforce investment system; Public service employment, except to provide disaster relief employment, as specifically authorized in section 194(10) of WIOA;
 - Expenses prohibited under another Federal, State, or local law or regulation;
 - Subawards or contracts with parties that are debarred, suspended, or otherwise excluded from or ineligible for participation in Federal and/or State program or activities;
 - Contracts with persons falsely labeling products made in America;
 - Foreign travel;
- Funds provided to employees for OJTs must not be used to directly or indirectly assist, promote or deter union organizing
- Funds must not be used or proposed to be used for the encouragement or inducement of a business or part of a business to relocate from a location in the United States if the relocation results in any employee losing his or her job at the original location.
- A participant in an OJT will not be employed in or assigned to a job if:
 - Any other individual is not a layoff from the same or any substantially equivalent job;
 - The employer has terminated the employment of any regular, unsubsidized employee or otherwise caused an involuntary reduction in its workforce with the intention of filling the vacancy with the participant; or
 - The job is created in a promotional line that infringes in any way on the promotional opportunities of currently employed workers;

- A participant in a program or activity authorized under Title I of WIOA must not displace (including a partial displacement, such as a reduction in the hours of non-overtime work, wages, or employment benefits) any currently employed employee (as of the date of participation).
- OJTs are not intended to impair any existing contracts for services or collective bargaining agreements. When a program or activity authorized under Title I of WIOA would be inconsistent with a collective bargaining agreement, the appropriate labor organization and employer must provide a written concurrence before the program or activity begins.

Key Definitions

“High Priority Occupations” are job categories, within selected industry clusters, that are in demand by employers, have higher skill needs, and are likely to provide family-sustaining wages.

The “individual employment plan” is an individualized career service that is developed jointly by the participant and the employment counselor when determined appropriate by the One-Stop or One-Stop partner. The plan is an ongoing strategy to identify employment goals, achievement of objectives, and an appropriate combination of services for the participant to achieve the employment goals.

An “Individual with a Barrier to Employment” means a member of one or more of the following populations:

- Displaced homemaker;
- Low-income individuals;
- Indians, Alaska Natives, and Native Hawaiian, as such terms are defined in WIOA Section 166;
- Individuals with disabilities, including youth with disabilities;
- Older individuals;
- Ex-offenders;
- Homeless individuals (as defined in Section 41403(6) of the Violence Against Women Act of 1994 (42 U.S.C. 14043e-2(6))), or homeless children and youth (as defined in section 752 (2) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 114343(a) (2)));
- Youth who are in or have aged out of foster care;
- Individuals who are English language learners, individuals who have low levels of literacy, and individuals facing substantial cultural barriers;
- Eligible migrant and seasonal farmworkers, as defined in WIOA Section 167 (i);
- Individuals within two years of exhausting lifetime eligibility under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.);
- Single parents (including single pregnant women);
- Long-term unemployed individuals;
- Such other groups as the local board and Governor determines to have barriers to employment.

“On-the-Job Training” is training by an employer that is provided to the 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 in a range of 50% to 90% of the wage rate of the participant, except provided in WIOA 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.