



CITY OF OAKLAND
OFFICE OF ECONOMIC AND WORKFORCE DEVELOPMENT
OAKLAND WORKFORCE DEVELOPMENT BOARD



DIRECTIVE #: 22-001
TO: All Workforce Innovation and Opportunity Act (WIOA) Funded Oakland Workforce Development Board (OWDB) Service Providers
SUBJECT: On-the-Job Training (OJT) Policy

Background:

On-the-Job Training (OJT) is a work-based training supported by the Workforce Innovation and Opportunity Act (WIOA). The primary purpose of OJT is to provide participants with work-based knowledge and skills upgrade training necessary for the full performance of a job. OJT reimburses employers for the extraordinary costs of providing training and additional supervision.

The purpose of this policy is to provide guidance regarding the limitations and eligibility of individuals and employers to participate in On-the-Job Training (OJT) opportunities.

Definition of Key Terms

The term “**On-the-Job Training**” means training by an employer that is provided to a paid participant while engaged in productive work in a job that:

1. Provides knowledge or skills essential to the full and adequate performance of the occupation.
2. Provides reimbursement to the employer for the costs of providing the training and additional supervision related to the training.
3. Is limited in duration as appropriate to the occupation for which the participant is being trained.

For an individual to qualify for OJT under the WIOA guidelines, they will:

1. Have enrolled in CalJOBS, be determined eligible for WIOA, and be enrolled in WIOA programs.
2. Have completed an initial assessment or evaluation and have been determined to need training to find employment.
3. Have an Individual Employment Plan (IEP), wherein the participant’s interests, abilities and needs are identified.

Employer Eligibility

Potentially eligible employers able to participate in OJT contracting include: private-for-profit businesses, private non-profit organizations, and public sector employers. An employer will NOT be eligible to receive WIOA OJT training reimbursements if:

1. The employer has any other individual that has been laid off or removed from work from the same or substantially equivalent position.
2. The OJT would infringe upon the promotion of or displacement of any currently employed worker or a reduction in their hours.
3. The same or a substantially equivalent position is open due to a hiring freeze.
4. The positions are for seasonal employment.
5. The employer is a private for-profit employment agency, i.e. temporary employment agency, employee leasing firm or staffing agency.
6. The position is not full time (i.e., less than 32 hours per week).

Occupational Eligibility

Seventy percent (70%) of OJT dollars must be used in OWDB priority sectors (Healthcare, Advanced Manufacturing, Transportation and Logistics, Digital Arts & Media, Construction, Government, and Hospitality, Leisure, Retail) which lead to employment opportunities enabling the participant to become economically self-sufficient and which will contribute to the occupational development and upward mobility of the participant. Employment opportunities focused on job quality, equity, worker voice and environmental sustainability are prioritized.

OJT Requirements

1. OJT funding shall be subject to continued availability of that funding under the terms and conditions provided to OWDB under state/federal WIOA regulations.
2. WIOA OJT contracts shall not be made with employers who have previously exhibited a pattern of failing to provide OJT participants with continued long-term employment with livable 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.
3. Priority in WIOA OJT contracts will be given for individuals determined to meet WIOA Priority of Service as stated in WIOA Section 134(c)(3)(E) who are “new hires” with an employer.
4. It is the expectation of OWDB staff that employers who use OJT funding will hire the individual completing the training as a full-time employee, provided 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.
5. OJT contracts will not be written for minimal skill jobs that generally would require little or no training.
6. Per WIOA regulations regarding nepotism (20 CFR 683.200(g)), “no individual may be

placed in an employment activity if a member of that person's immediate family is directly supervised by or directly supervises that individual." For the purpose of this policy, the term "immediate family" includes a spouse, child, son-in-law, daughter in-law, parent, mother-in-law, father-in-law, sibling, brother-in-law, sister-in-law, aunt, uncle, niece, nephew, stepparent, stepchild, grandparent, and grandchild.

7. In the event that the OJT activity includes a union benefit package which is paid out to a trust or other union intermediary directly from the base wage of the participant, those may be included as part of the hourly reimbursement of the OJT costs.
8. An appropriate mechanism for the seamless and efficient referral and training of participants and for the prompt payments of training funding to the employer in reimbursement of employer costs. Payment terms for reimbursement of training costs to employer shall at all times remain consistent.
9. A Training Plan outlining the type of training and the hours required for competency must be submitted and approved by OWDB Staff.
10. WIOA OJT contracts between the AJCC Provider, an employer, training provider or other third (3rd) party must ensure that all third (3rd) parties be vetted to ensure that they have the authority and credentials to train and issue industry-recognized certifications in local, City, State, national, and Federal areas and regions. Failure to ensure that the 3rd party trainer and/or employer have proper credentialing/authority will result in non-payment of OWDB WIOA funds.

Employer OJT Expectation

Employers are expected to enter into an OJT contract with the AJCC provider. The following are expected responsibilities of the employer:

1. Development with the training provider, an appropriate curriculum for each specialized training strand leading to permanent employment with the identified employer. Such training will have definitive start and end date and metrics for successful completion by each participant.
2. Issuance of an industry-recognized certificate of completion of specialized training describing the type of training received and successful completion thereof, as well as issuance of an industry-recognized certificate of completion for the OJT element describing the general job training completed.
3. Providing unsubsidized and permanent employment upon completion of the specialized training afforded to each participant supported by the OJT.
4. Treatment of each placed participant as a regular employee in all respects pursuant to WIOA guidelines for the management of OJTs.
5. To work with its designated training provider as an independent contract, consistent with the purpose of this agreement and the contractual obligations hereunder.

WIOA OJT Length

The maximum time frame for an OJT is up to 6 months or 520 hours. Duration of an OJT is dependent on the training needed rather than defaulting to the maximum duration allowed under this policy. Service Providers should consult with the employer and utilize the Occupational Information Network's (ONET) Specific Vocational Preparation Range (SVP) to determine the appropriate occupational training needed.

At the time of completion of the OJT program, individuals must be employed in occupations that meet the following criteria:

1. Hourly wage must comply with City of Oakland minimum wage requirements.
2. Occupation must be listed as an OWDB Priority Sector (seventy percent requirement).
3. The occupations must be for a full-time permanent position following the training (minimum of 32 hours per week).

WIOA OJT Funding Levels

Employers will be reimbursed up to six thousand dollars (\$6,000) for training costs of the Oakland minimum wage. OWDB staff will consider exceptions to the cap on training funds. Exceptions will be considered for trainings in which the recipient receives an industry recognized credential or for employer utilizing OJT services for the first time. Employers interested in training five (5) or more new workers at once should refer to OWDB Customized Job Training policy. OWDB OJT funding may not exceed fifty percent (50%) of the Employer's actual costs unless an exception is granted by OWDB staff. The cap for all customers receiving any type of training or a combination of training services (ex: Individual Training Account, On-the-Job Training, or Customized/Cohort Training) is not to exceed \$6,000. Exceptions may be requested on a case-by-case basis (request must be submitted to the OWDB Program Analyst).

Employer Requirements

Participating employers must guarantee that:

1. All participants shall be provided 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.
2. The position provides the participant benefits per company policy (i.e. insurance, paid leave, profit sharing) other than those required by law.
3. Employees who have financial responsibilities related to the receipt and disbursement of funding under the Agreement shall be covered by fidelity bonding.
4. The training to be provided will be in accordance with WIOA 181(a)(1)(A) and Code of Federal Regulations (CFR) section 683.275 for wage and labor standards. Worker protection requirements are set forth in WIOA Sections 181 and 188.

5. The employer agrees to cooperate with monitoring efforts as required by WIOA legislation and adhere to all other applicable local, state, and federal rules and regulations.
6. Funds are not used to directly or indirectly assist, promote, or deter union organizing.
7. The employer agrees to respond to requests for wage and retention information of participants.
8. The employer commits to retain the trained employees for a period of six months following the completion of training. Failure to do so may result in the employer being ineligible to receive further OWDB training funds for a period of one year.

Employer Reimbursement Rate

OJT training payments are allocated to employers for the cost of extraordinary costs associated with training participants. OWDB will reimburse employers up to fifty percent (50%) of training wages. OWDB may consider increased reimbursement rates for businesses operating in priority industries on a case-by-case basis and serving priority client populations with significant barriers, up to a maximum possible reimbursement rate of seventy-five percent (75%) of wages.

Exceptions

OWDB may reimburse employers up to seventy-five percent (75%) of training wages when they employ individuals who have been formerly incarcerated, persons with disabilities, or other Priority of Service identified individuals in OWDB priority industry sectors. Exceptions to the \$6,000 training cap per client will also be considered for trainings in which the recipient receives an industry recognized credential or for employer utilizing OJT services for the first time. An OJT Exception Form (Attachment A-1) must be completed and submitted to OWDB Staff. OWDB Staff will review and approve the OJT Exception Form along with the justification reason. OWDB Staff will notify the requestor of approval or denial on the same form. Verbal exceptions are not allowable authorizations, the OJT Exception Form must be used at all times.

The OWDB ITA Authorization Form is available on the OWDB website at www.oaklandca.gov/boards-commissions/oakland-workforce-development-board

References

- WIOA Section (3)(44)
- WIOA Section 134(c) (3)(h)
- 20 CFR 680.530
- 20 CFR 680.700
- 20 CFR 680.710

- 20 CFR 680.730
- 20 CFR 680.740

Any discrepancies arising between OWDB policy and or procedures with federal and state provisions due to current or future revisions will default to the current minimum federal and state regulations and guidance available. OWDB policy and or procedures may set forth stricter requirements than provided by federal and state guidance, but in no case will OWDB policy and or procedures not meet minimum federal and state policy.

Action Required:

This information should be disseminated to all agency & provider staff.