



On-The-Job Training Policy

Approval Date: March 7, 2025

Purpose

The purpose of this policy is to articulate how On-the-Job (OJT) training funds are to be administered by Greater Cleveland Works under the Workforce Innovation and Opportunity Act (WIOA).

Background

On-the-Job Training (OJT) is a training option that provides employers the opportunity to train new employees (Trainees) on the specific knowledge or skills essential to the full and adequate performance of the job.

An OJT:

- 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% of the wage rate of the trainee 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 trainee is being trained, taking into account the content of the training, the prior work experience of the trainee, and the service strategy of the trainee, as appropriate.

Administration of the OJT program consists of the following components:

1. Determination of a trainee's eligibility;
2. Determination of an employer's eligibility;
3. Written OJT Agreement between the employer and Greater Cleveland Works or its designee;
4. Written OJT Plan between the trainee and the employer.

Trainee Eligibility

OJT training services may be provided to adults, dislocated workers, and youth participants. For an individual to qualify for OJT under the WIOA guidelines, the individual will:

1. Have enrolled with WIOA Adult, Dislocated Worker or Youth programs;
2. Have been determined to need training to meet all job requirements;
3. Be WIOA eligible;
4. Have an Individual Employment Plan (IEP), wherein the participant's interests, abilities and needs are identified.

OJT participants cannot be immediate family members of the business owner or his/her direct supervisor. Immediate family members are defined as spouse, child, parent, sister, brother, sister/brother-in-law, son/daughter-in-law, mother/father-in-law, aunt, uncle, niece, nephew, grandson, granddaughter, grandparents, stepparent and stepchild.

The referral of the trainee to an employer for an interview shall occur when Greater Cleveland Works' designated representative has determined that the trainee will benefit from OJT and has identified suitable OJT opportunities for the trainee from existing job orders with eligible employers. Job development activities with eligible employers should be performed for those trainees planning to enter OJT in the absence of suitable job openings.



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Reverse referral of potential trainees to Greater Cleveland Works by employers as candidates for OJT will be accepted by Greater Cleveland Works if trainees so referred are determined eligible for OJT, are fully assessed, are exposed to other services as appropriate, and if the resulting IEP supports OJT training. In addition, the OJT employer must agree to accept referral of and interview other suitable trainees for the OJT job vacancy.

Coordination with Trade - If a trainee is eligible for training dollars under Trade Adjustment Assistance (TAA), TAA should be used to fund the OJT. An exception would be situations where the cost exceeds the TAA program's ability to fund the training; WIOA funds can pay the portion of the cost that exceeds the TAA maximum. If a trainee is already enrolled in a WIOA-funded OJT and subsequently becomes eligible for funding through TAA, Greater Cleveland Works will determine whether to continue funding the OJT with formula dollars or to fund the remainder of the training with TAA funds.

Employer Eligibility

OJT is provided under an agreement with an employer in the public, private non-profit, or private for-profit sector to WIOA eligible participants. Prior to the placement of an OJT participant, an employer pre-screening must be conducted. As part of the pre-screening process, careful consideration should be given to:

- Working conditions (safety and health);
- Presence of health benefits;
- Wage structure;
- Turnover rates;
- Adequate staff and equipment to carry out the training; and
- Compliance with federal, state and local laws.

Employers will be disqualified from participating in the OJT program in the following situations:

- a. Businesses presently debarred, suspended, proposed for disbarment, declared ineligible, or voluntarily excluded from participation in transactions by USDOL, the State of Ohio, Cuyahoga County, the City of Cleveland or the Fair Employment Wage Board
- b. Outstanding Local, State and/or Federal tax liability: Greater Cleveland Works will require the businesses to disclose any known outstanding tax liabilities prior to entering into contract, and may consider existing violations when determining eligibility to receive on-the-job worker training funds.
- c. Failure to retain participants: Greater Cleveland Works will not enter into an agreement with an employer who has previously exhibited a pattern of failing to provide OJT trainee's with continued permanent employment.
- d. The employer must comply with all applicable federal, state, local laws and regulations related to providing reasonable working conditions. OJT participants are not permitted to train or work in buildings or surroundings under working conditions that are unsanitary, hazardous, or dangerous to the trainee's health or safety.
- e. Relocation: If during completion of the employer information form, it is determined that a business has relocated from one U.S. labor market to another and caused dislocation at the original location, OJTs may be available at the new location only after the business has conducted work at the new location for more than 120 days.



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- f. Layoff: A worker who loses a job through no fault of his/her own is considered laid off. All workers determined eligible for unemployment compensation have been determined to be laid-off. If the employer has laid off someone from a similar or "substantially equivalent" work at the same local operation, no OJT or other subsidized employment is permitted. The work is considered substantially equivalent if the overlap between the work (duties and job titles) is 80% or greater. If more than one person is laid off from a substantially equivalent job, and all these persons worked their last day more than six months before the training plan begins, the OJT may proceed and the employer may be reimbursed regardless of the previous layoffs.
- g. Funds provided to employers for an OJT may not be used to employ the trainee in a position involving political or sectarian activities. Furthermore, OJT trainees may not assist, promote or deter union organizing, or engage in political activities during work hours.
- h. OJT trainees are prohibited from being employed in the construction, operation, or maintenance of any facility which is used for religious instruction or worship.
- i. Training positions covered may not have been created by the displacement of an unsubsidized employee by a WIOA subsidized employee. This includes partial displacement such as reduction in the hours of non-overtime work, wages, or employment benefits. There is no requirement for the job to be similar or substantially equivalent. The key is employer intent: if an unsubsidized employee's earnings are reduced by hiring a WIOA subsidized participant to offset the lost productivity, it is considered displacement.

Private Placement Agencies: OJT funding will not be considered for any temporary, temp-to-hire positions, and/or hiring transactions through a temporary staffing agency.

Other Disqualifiers:

- a) Any position which is temporary or seasonal in nature
- b) Any position which is less than full time (32 hours week)
- c) Any position which does not offer benefits equal to those offered to other employees in similar positions.

Other Employer Eligibility Requirements:

- a. The employer must provide workers' compensation coverage and unemployment benefits either through the states' coverage systems or otherwise be self-insured.

OJT contracts may be written with registered apprenticeship programs or participating employers in registered apprenticeship programs for the OJT portion of the registered apprenticeship program. Depending on the length of the registered apprenticeship and State and local policies, these funds may cover some or all of the registered apprenticeship training.



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Development of Contract With Employer

General Terms of the OJT Agreement

An On-the-Job Training Agreement, is required per employer regardless of the number of participants trained or hired. The agreement may be effective for a maximum period of one (1) year and cover all training plans approved with the employer prior to the On-the-Job Training Agreement's expiration date.

The OJT agreement, while establishing the reimbursement procedures, remains non-financial in nature, and no money is obligated until the training plan is approved for an eligible participant. Moreover, in case a collective bargaining agreement exists, the employer must obtain a letter of concurrence to the OJT agreement from the union, and provide it to Greater Cleveland Works.

Employer will provide a detailed training curriculum/outline and/or work with Greater Cleveland Works staff to:

- a) Identify all the skills and credentials needed that a worker must possess in order to satisfactorily perform the job(s) identified by the employer, (O*Net or My Next Move can be used as a reference for further job specifications when the employer does not or is unable to provide this level of information.)
- b) Determine the amount of time that a worker should need to learn each skill.

The OJT agreement will be modified before expiration only if there are significant, material changes, such as layoffs or changes in federal, state, and local rules and policies pertaining to the implementation of OJTs.

Specific OJT Agreement Terms

OJTs involve the provision of payment to employers to compensate them for a percentage of the regular, hourly wages that the employer pays to WIOA enrolled participants while they are being trained. That compensation is subject to the following terms and conditions:

- a. Maximum reimbursement rate shall not exceed fifty percent (50%) of the hourly wages.
- b. Training must occur for individuals making a self-sufficient wage. At a minimum, each provider will only enter into OJT Plans where the individual will receive a minimum of fifteen dollars (\$15.00) an hour during training. Greater Cleveland Works may enter into an OJT Plan at less than \$15.00 an hour, only where the trainee will receive a wage rate of \$15.00 an hour within three (3) months from the conclusion of the training.
- c. The maximum reimbursement rate per trainee is \$9,000.00. For employer reverse referrals, the maximum reimbursement rate per trainee is \$4,500. A reverse referral is a trainee referred by the employer.
- d. Training is subject to certain maximum limits. The Training Plan will not exceed the following caps:
 - I. No training plan will be written for more than 1,040 hours of training time (see exceptions below).
 - II. No training plan will be written to cover a period of time for more than 6 months.
 - III. No training plan will allow for an employer to be reimbursed for more than forty (40) hours of training in any individual workweek.



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- IV. Reimbursement to employers shall also be for straight time only.
- V. Reimbursements to employers shall be made only for actual OJT training time and shall not include reimbursement for wages paid to trainees for holidays, sick leave, vacation time, etc.
- e. Training positions should be for no less than thirty-two (32) hours per week.
- f. OJT participants must be treated equally. OThe wages, benefits, and working conditions provided to all regular hires that do the same work as those OJT trainees, must be afforded to those OJT Trainees.
- g. Requirement of a grievance procedure. All employers are required to have a grievance or complaint process, and shall follow such process in matters related to the OJT trainees.

Exceptions to Duration of OJT's and Reimbursement Caps

1. Disabled/Barriered Individuals - OJT trainees facing a significant barrier to employment, such as a disability covered under the Americans with Disabilities Act (ADA), may be considered for a longer training duration up to 50% additional hours when compared to typical length of a similar OJT, not exceeding a maximum of 1,560 hours.
2. Apprenticeships - Every registered apprenticeship program includes a structured OJT. Companies hire apprentices and provide hands-on training from an experienced mentor. This training is developed by mapping the skills and knowledge the apprentice must learn over the course of the program to be fully proficient at the job. Therefore, registered apprenticeships are time-based and require a specific number of hours of OJT. Consequently, OJTs with longer duration, not to exceed 2,080 hours, may be used when the OJT is completed as part of the registered apprenticeship program.

Demand-Occupation Requirement

OJTs may only be entered into with employers for training placements within occupations that are deemed to be "in-demand" as defined either the State of Ohio, or by Greater Cleveland Works.

On-The-Job Training Plan

The On-the-Job Training Plan obligates training funds for a trainee and outlines the planned training activities to be accomplished during the training period. Unlike the OJT agreement, the training plan is required for each trainee. The OJT plan constitutes the financial obligation between the agency or service provider and the employer, and is the document which authorizes reimbursement of the agreed upon amount after successful completion of the training plan period (or the retention period, if applicable).

The OJT Plan also identifies the skills to be learned during the training. OJT providers may base the identification of skills needed, as well as the justification of training duration, upon the Occupational Information Network (O*NET) and specific vocational preparation (SVP), company job description, input from the employer/supervisor, and/or other appropriate data sources.

Once a trainee has been identified, Greater Cleveland Works staff and the employer will compare the trainee's skills to those deemed necessary by the employer. A training plan will be developed. The plan will identify what skills need to be learned and the total hours of training necessary.



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Content of the OJT Training Plan:

- a. The actual training time for an OJT Training Plan is determined by the tasks required by the specific job compared to the skills, knowledge, experience, and abilities of the WIOA trainee. The OJT Training Plan must be individualized for the trainee, taking into consideration the trainee's prior education, training, work experience, barriers to employment, physical/mental capacities and limitations, level of functional literacy, recentness and duration of prior training or experience, and any other relevant factors.
- b. Reduction in OJT training time to be reimbursed by WIOA should be made for trainees with prior work experience, training or education that is directly related to the planned OJT training. Trainees with prior training or experience that is directly or indirectly related to the planned OJT training may be enrolled in OJT if that training will enhance or expand job skills already possessed by the trainee.
- c. The length and duration of on-the-job training shall be limited to a period not exceeding that generally required for the acquisition of skills needed for the entry level within a particular occupation.
- d. The OJT training need must be justified and documented in all instances in the trainee's IEP.
- e. Award of an OJT Training Plan is based on availability of WIOA funds.
- f. The OJT training occupation must not involve payment of commission wages as the primary source of wage payment to the OJT trainee.
- g. The OJT training occupation must not involve political or religious activity.
- h. The training occupation should have career advancement potential.
- i. The OJT must be conducted at, or out of, the employer's place of business and may not be subcontracted.
- j. Training in occupations requiring a license to perform certain work shall not be allowed unless the OJT contractor/employer certifies that it is the firm's intention to continue employment and further occupational training for the OJT employee specified until all license requirements are met.

Amending the OJT Plan:

An extension of the training/contract period that does not increase the dollar value of the contract can be authorized if the training is interrupted (e.g. due to trainee or instructor illness, strike, etc.).

- i. An Employer must, prior to the expiration of the original contract, provide a written request for extension AND
- ii. Greater Cleveland Works must provide the Employer written approval of the extension prior to the new dates being requested.



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Contractual/Payment Provision

Payments to employers should be managed by an invoice system that documents the number of hours worked by the OJT participant and the hourly rate of pay.

The reimbursement base is regular "straight time" hours and does not include commissions, overtime pay, holidays, vacation, sick pay or pay for other hours not worked. Trainee wage reimbursement is based on the trainee's wage for actual hours worked up to a maximum of forty hours per week. In the event of a wage increase, the contract reimbursement rate may be increased upon approval by Greater Cleveland Works.

The employer must invoice as required by the contract within the OJT Contract period.

Policy Exemptions

In instances where a "Trainee" resides in a city or neighborhood with documented higher unemployment and poverty rates than overall county levels, and they are placed at an employer doing business in that city or neighborhood, a higher wage reimbursement rate may be authorized with the approval of the Greater Cleveland Works designee. The wage reimbursement level to the employer can be up to seventy-five percent (75%) of the hourly wages and the maximum reimbursement rate per trainee can be up to \$10,000.00 if the following factors are satisfied:

- 1) The trainee has significant barriers to employment as defined in WIOA section 3 (24) which include any of the following:
 - Displaced homemakers;
 - Low-income individuals (family income does not exceed the higher of the poverty line or 70% of the lower living standard income level);
 - Indians, Alaska Natives, and Native Hawaiians;
 - Individuals with disabilities, including youth who are individuals with disabilities;
 - Older individuals (age 55 or older);
 - Ex-offenders;
 - Homeless individuals;
 - Youth who are in or have aged out of the foster care system;
 - Individuals who are English language learners, individuals who have low levels of literacy, and individuals facing substantial cultural barriers;
 - Single parents (including single pregnant women).; or
 - Long-term unemployed individuals;
- 2) Employers having less than one-hundred employees;
- 3) Training occupation must be in-demand occupations and advancement opportunities exist within the company.

Other, exceptions to the OJT policy may be presented in writing to the Greater Cleveland Works designee. The exceptions must be for local requirements (i.e. maximum OJT amount, reverse referrals of OJT trainees and OJT limitations) and must not be in violation of federal or state requirements.



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Exceptions may be granted based on the funding source, trainee wage rate, employers' efforts to hire Greater Cleveland Works-referred job seekers and the technical training requirements of the job. Additionally, exceptions for special pilot initiatives may be granted.

Exceptions also must be documented in the participant's case notes.

Monitoring

A Greater Cleveland Works representative will visit employer sites, no less than one visit within a six-month period unless issues of non-compliance arise. The representative will work with employer to resolve any findings of non-compliance. For an employer that has not previously worked with Greater Cleveland Works a site visit will be conducted prior to the establishment of the OJT agreement.

Monitor shall review the following:

- There was a need for the training;
- Training was provided to the participant;
- The length of OJT training was reasonable;
- A Review's the employer payroll records to confirm that the employer reimbursement rate complies with policy and participant was appropriately compensated;
- Other applicable OJT rules and regulations.