

Washington State

Workforce Innovation and Opportunity Act Title I-B Policy

Policy Number: 5606

Policy Title: Approving on-the-job training (OJT) employer reimbursements of more than 50 percent of participant wages up to 75 percent

Effective Date: July 1, 2015

1. **Purpose:**

Section 134(c)(H) of the Workforce Innovation and Opportunity Act (WIOA) allows the Governor and local boards to increase the amount of employer reimbursement for an OJT participant to more than 50 percent of a participant's wage rate up to a maximum of 75 percent. This policy addresses the factors that must be considered and documented by local service providers that develop OJT opportunities and contracts.

2. **Background:**

On-the-job training (OJT) is an important work-based learning option that the one-stop system can offer to local employers and job seekers. OJT puts unemployed individuals to work earning a wage while they receive training to address gaps in their skill set that hinders them from fully performing a job. OJT also offers individuals a training option that enables them to upgrade their skills while earning a regular paycheck. For these reasons, OJT is a viable training pathway for those seeking reemployment. For employers, OJT offers the opportunity to offset initial training costs to fill skilled positions while building organizational productivity as the participant learns job requirements. An OJT arrangement can also be the impetus for employers to create job opportunities.

3. **Policy:**

The employer reimbursement rate for OJT cannot exceed 75 percent. The following factors must be considered when the employer reimbursement rate exceeds 50 percent for either (1) statewide OJT projects funded by Governor's discretionary funds or (2) local OJT contracts funded by WIOA Title I formula funds:

1. The characteristics of the participant(s) with an emphasis on barriers to employment as defined in WIOA Section 3(24);
2. The size of the employer with an emphasis on small businesses (i.e., employers with fewer than 250 employees);

3. The quality of employer-provided training (e.g., an industry-recognized credential, advancement opportunity);
4. The number of participants the employer agrees to sponsor;
5. The wage and benefit level of the participant (both during and after completion of the OJT);
6. The OJT position is an in-demand occupation as defined by WIOA Section 3(23) and determined by ESD labor market information;
7. The OJT employer is:
 - a. in an in-demand industry as defined by WIOA Section 3(23) and determined by ESD labor market information; or
 - b. in an in-balance industry as determined by ESD labor market information; or
 - c. in a declining industry, but there are compelling reasons (e.g., evidence of long-term viability of the employer) justifying reimbursement above 50 percent.
8. The employer is current in unemployment insurance and workers' compensation taxes, penalties, and/or interest or related payment plan.

LWDBs must document the factors that were considered in approving an increase in the employer reimbursement level above 50 percent up to 75 percent.

4. Definitions:

On-the-job training: Training provided by employers to paid participants in the form of productive work in jobs that (1) provide the knowledge or skills essential to the full and adequate performance of the jobs, (2) are available through programs that provide reimbursement to employers of up to 50 percent of the participants' wages, with the exception provided by this policy, for the extraordinary costs of training and additional supervision related to the training, and (3) are limited in duration as appropriate to the occupations for which participants are being trained, taking into account training content, participants' prior work experiences, and participants' service strategies.

In-Demand Industry Sector or Occupation: In general, (i) an industry sector that has a substantial current or potential impact (including through jobs that lead to economic self-sufficiency and opportunities for advancement) on the state, regional, or local economy, as appropriate, and that contributes to the growth or stability of other supporting businesses, or the growth of other industry sectors; or (ii) an occupation that currently has or is projected to have a number of positions (including positions that lead to economic self-sufficiency and opportunities for advancement) in an industry sector so as to have a significant impact on the state, regional, or local economy, as appropriate. The determination of whether an industry sector or occupation is in-demand shall be made by the state board or local board, as appropriate, using state and regional business and labor market projections, including the use of labor market information.

5. References:

- WIOA Section 3(23)
- WIOA Section 3(44)
- WIOA Section 134(c)(H)
- 20 CFR 680.700, 680.710, 680.720, 680.730, and 683.270
- [Training and Employment Notice \(TEN\) 41-10](#)

6. Supersedes:

None.

7. Website:

[Workforce Professionals Center](#)

8. Action:

Local Workforce Development Boards and their contractors must distribute this policy broadly throughout the system to ensure that WorkSource System staff are familiar with its content and requirements.

9. Attachments:

None

Direct Inquiries To:

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