

POLICY – ON-THE-JOB TRAINING

Background

Under the Workforce Innovation and Opportunity Act Section 134 local workforce development areas have the authority to implement an on-the-job training (OJT) program. On-the-job training is one initiative a local workforce development area can utilize to meet the needs of employers in the region in support of an overall workforce strategy.

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 (A) provides knowledge or skills essential to the full and adequate performance of the job; (B) is made available through a program that provides reimbursement to the employer of up to 50 percent of the wage rate of the participant 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 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.

In addition, Section 134 of the Workforce Innovation and Opportunity Act supports increased use of on-the-job training by allowing higher reimbursement rates to participating employers. The WIOA states “local board may increase the amount of the reimbursement to an amount of up to 75 percent of the wage rate of a participant”.

Objective

This policy will allow the Workforce Investment Board to:

- Assist Will County employers in improving the productivity of their employees and increasing their competitiveness while at the same time expanding job opportunities for Will County residents;
- Develop of a full continuum of training services that address the needs of the existing workforce, the unemployed, the underemployed, and new entrants to the labor force;
- Attract greater participation in the workforce system by local businesses, encouraging the creation of strong public-private partnerships;
- Increase the general market penetration of the local employer base; and reach new employer customers for the Will County One-Stop System.

Recommendations

The business must be in a targeted industry identified by the Workforce Investment Board of Will County. The PY15 Industry Targets are: Healthcare, Manufacturing, Logistics, IT, Finance/Insurance. Exceptions can be made on a case by case basis. No OJTs will be awarded to government entities, staffing/temporary agencies training vendors/consultants, or educational/religious institutions.

The minimum wage rate in PY16 for an occupation to be considered for an OJT with a WIOA eligible Adult or Dislocated Worker in is \$12.85 /hour. This minimum wage rate was calculated using the information in Attachment 1. This wage rate represents the average entry level wage across all occupations in Will County. The OJT position must provide the participant with the same wage, insurance, and benefits as regular, non-OJT employees would receive.

The minimum wage rate in PY16 for a WIOA eligible youth (ages 16 to 24) is \$9.51/hour. This minimum wage rate represents 76% of the average entry level wage across all occupations in Will County. 76% of the total average is approximately the wage rates for youth in Will County. An employer may not pay a youth a lower wage than other workers in the same or similar positions

An exception to the requirement that an OJT’s is only allowed for full-time positions may be granted for persons with disabilities who have a required work limitation of no more than 30 hours per week.

The employer reimbursement will be on a sliding scale based on employer size up to 75% of the wage of the participant as allowed in Section 134 of the WIOA. The sliding scale for employer match is: 50 or fewer employees = 75% reimbursement, 51-250 employees = 60% reimbursement, 251 or more employees = 50% reimbursement.

Additionally, the number of OJTs with a single employer in any 12 month period may not exceed 25 people. Once an employer has hired 25 people using the OJT program, they will not able to utilize the program again for 12 months after the date of the first of the 25 hires.

Assessment

Report and evaluate the following quarterly:

- Number of employers participating in OJTs
- Number of participants in an OJT
- Industry break-down of employers participating in the program
- Occupation and wage rates of participants in the program
- Outreach to employers about the OJT program
- Employer feedback about the program process

Approved: August 10, 2015

Motion: Don Moran

Second: Deb Daniels

Approved: June 13, 2016

Motion: Suzanne Sallay

Second: Kelly Norris

Updated October 16, 2017