



POLICY

CATEGORY:	Workforce Programs- General	No: 4.0.113.04
TITLE:	OJT, Subsidized Employment and Customized Training	
SUPERSEDES:	Policy # 4.0.113.01 dtd May 17, 2012	
EFFECTIVE:	December 12, 2014	
BOARD APPROVAL:	December 12 2014	
DATE OF LAST REVIEW:	March 19, 2015	

I. PURPOSE:

To establish local policies and guidelines on implementing On-the-Job Training (OJT), subsidized employment and customized training services.

II. DEFINITIONS:

On- the- Job Training (OJT) - training provided by an employer to a paid participant on or off the work site while engaged in productive work in a job that provides knowledge or skills essential to the full and adequate performance of the job. OJT provides reimbursement to the employer of a percent of the wage rate of the participant for the extraordinary costs of providing the training and additional supervision related to the training. OJT is limited in duration as appropriate to the occupation for which the participant is being trained, taking into account the content of the training, prior work experience, and the service strategy of the participant. OJT includes training specified by the employer.

Customized Training - training designed to meet the special requirements of an employer (including a group of employers) conducted with a commitment by the employer to employ an individual on successful completion of the training; and paid for in part by the employer.

Subsidized Employment - full time or part time employment that is subsidized in full or in part. Subsidized employment may occur in either the private or public sector.

III. POLICY STATEMENT:

Workforce Solutions of the Coastal Bend shall institute On-the-Job training, subsidized employment and customized training programs that will provide participants with knowledge or skills essential to obtaining and retaining employment. Opportunities shall be primarily offered to those participants who lack the related training or experience for which training is offered.

An application shall be developed to gather adequate information on employers prior to contracting for OJT, subsidized employment or customized training.

IV. PROCEDURES:

Funds

OJT, subsidized employment and customized training funds must:

- be used for an allowable activity for participants under the appropriate funding stream. Funds must be available in the service provider's line item budget for this purpose.

- be allocated based on the limit of the amount of funds allowed per funding stream and the maximum duration of the placement. (See program specifics).
- not be used to directly or indirectly assist, promote or discourage union organizing.
- not be involved in a strike, lockout, or other labor dispute of the firm or establishment with which the contract is written.
- not be used on behalf of participants to make contributions to retirement systems or plans.
- be compensation for extraordinary costs associated with training participants and costs associated with the lower productivity of such employees.
- only be used for payments after submission of a certified invoice of training delivered to the participant, which is based on time and attendance reports.

Contracting Requirements

OJT, subsidized employment and customized training are exempt from Individual Training Account (ITA) and eligible training provider certification requirements. OJT and customized training will be administered pursuant to a contract instead of using an ITA.

A training outline shall clearly identify the specific skills and tasks to be learned or enhanced for the job, and the training hours required to master each skill and task.

The time spent in classroom training during which wages are paid by the employer will not be included in the total duration of the OJT.

Employers must expect to retain participants for continued and long-term employment once the OJT or subsidized placement has ended, unless successful completion of the placement is expected to result in unsubsidized employment with a different employer.

Participants shall be provided wages, benefits and working conditions at the same level and to the same extent as other employees with similar skills, experience, and position. Wages shall be at least federal or state minimum wage, whichever is higher.

Conditions of employment and training shall be appropriate and reasonable to protect the health and safety of participants.

The employer shall comply with all required rules and regulations.

Application for Customized Training

The application shall be used to collect relevant information on the employer's customized training and skills needs and shall determine the number of employees to be trained, the occupations or industries to be included, the dates of training, and the amount of funding requested. The application shall determine if the business or any part of the business is being relocated and has resulted in a loss of employment for any employee at the original location if the original location is within the United States.

The application shall provide data that can lead to determination that the training is for an occupation with a high potential for sustained demand or growth in the local workforce development area.

The application shall identify whether or not training providers are needed for customized training.

The application shall include an attestation stating that the training offered by the training provider meets the needs of the employer.

Eligible Employers

OJT, subsidized employment or customized training opportunities may be engaged with existing employers in the workforce area or new or relocating businesses.

Ineligible Employers

Funds may not be used "to encourage or induce the relocation of a business or part of a business, if such relocation would result in a loss of employment for any employee of such business at the original location and such original location is within the United States."

Employers that have received payments under previous contracts and have exhibited a pattern of failing to retain participants as long-term, regular employees with wages, employment benefits (including health benefits), and working conditions at the same level as other employees in similar positions are not eligible to receive funds.

Employers are ineligible that have met the threshold for maximum payment and duration of placement without prior approval of the Board.

Selecting Training Providers

In the development of customized training and curriculum, an employer may provide the customized training to its employees through in-house training resources, partner with a training provider, such as a community college or other training institution, to provide all or part of the training on behalf of the employer; or request that the Board select a training provider on the employer's behalf.

Any organization that meets the employer's criteria may provide customized training.

If an employer provides customized training through in-house resources, there is no need for procurement.

If an employer chooses to partner with a training provider to provide customized training for its employees, the employer shall provide the Board with an evaluation of the training provider's ability to provide training that meets the specific skill requirements of the employer or group of employers.

Training must be customized to meet the employer's needs. Curriculum taken directly from the training provider's catalog or regular course of study is not considered customized training and is not acceptable.

The service provider shall not select training providers for the employer but, upon request, may refer the employer to training providers who may be able to meet their needs.

Program Specifics

Workforce Investment Act (WIA)

If WIA Formula Funds allocations are used to pay for OJT or customized training, WIA income eligibility requirements apply, except in the case of WIA Dislocated Worker services.

Adults and dislocated workers must go through the sequence of services before receiving OJT or customized training.

OJT/Customized Training agreements shall not exceed the specified training hours provided through the Standardized Occupational Components for Research and Analysis of Trends in Employment System (SOCRATES) at <http://socrates.cdr.state.tx.us/>.

OJT will be limited in duration to a period not in excess of that generally required for the acquisition of skills needed for the position within a particular occupation. OJT contracts are limited to six (6) months. This six month limit may be exceeded with prior approval of the Board.

OJT/Customized Training payments paid during the period of training shall not average more than 50% of the wages paid to the participant during the training periods; and reimbursement may not occur for holiday overtime, sick, vacation, or other leaves and may not exceed 8 hour/day and 40 hours/week.

The threshold for employer reimbursement in a contract with the employer shall not exceed \$50,000 for customized training in a twelve month period. Thresholds for OJT and/or subsidized employment will be based on employer size, not to exceed amounts listed below in a twelve month period unless prior approval is obtained from the Board.

<u>Employer Size</u>	<u>Maximum in 12 months</u>
Employer with 1-49 Employees	\$ 8,000
Employer with 50-99 Employees	\$16,000
Employer with 100+ Employees	\$24,000

If statewide or local activity funds are used to pay for OJT or customized training, WIA eligibility requirements regarding age (for WIA Youth and Adults), selective service registration, U.S. citizenship or legal eligibility to work in the United States, and for WIA Youth, low income or 5% income exemption and barrier, are applicable.

Trade Adjustment Act (TAA)

The criteria that applies to WIA also applies to TAA, with the exception that a waiver granted by the U.S. Department of Labor, effective through June 30, 2007, allows Boards to waive the required 50 percent employer match for WIA customized training and to select a match based on a 10 to 50 percent sliding scale. WD Letter 07-03, issued March 10, 2003, provides Boards with procedures for implementing this waiver.

OJT and customized training may be used as a training option for Trade-certified workers. In the instance of trade-certified workers, OJT shall be given priority over other training options.

Trade-certified workers are WIA Dislocated Workers and are not required to meet WIA income eligibility requirements to receive OJT or customized training.

Choices

OJT and subsidized employment will be limited in duration to a period not in excess of that generally required for the acquisition of skills needed for the position within a particular occupation. OJT contracts are limited to six (6) months. Subsidized employment contracts are limited to three (3) months. Limits of duration may be extended with prior approval of the Board.

OJT wages paid during the period of training shall not average more than 50% of the wages paid to the participant during the training periods; and reimbursement may not occur for holiday overtime, sick, vacation, or other leaves and may not exceed 8 hour/day and 40 hours/week.

The threshold for employer reimbursement in a contract with the employer for OJT and subsidized employment shall not exceed the amounts listed below based on employer size in a twelve month period unless prior approval is obtained from the Board.

<u>Employer Size</u>	<u>Maximum in 12 months</u>
Employer with 1-49 Employees	\$ 8,000

Employer with 50-99 Employees	\$16,000
Employer with 100+ Employees	\$24,000

Subsidized employment wages are the same rules as OJT with the exception that a maximum of 100% of wages may be paid during the period of training.

Co-enrollment into WIA shall be a consideration for all participants in OJT and subsidized employment to ensure that the participant completes the training in the event that TANF is denied prior to completion.

Customized training for Choices is considered as vocational educational training.

Supplemental Nutrition Assistance Program (SNAP E&T)

SNAP E&T funds may not be used to subsidize wages and therefore, may not be used for any type of OJT or subsidized employment activity. However, SNAP recipients can participate in these activities through WIA services, and through the use of WIA funds. Customized training for SNAP E&T is considered as vocational educational training.

V. RELATED POLICY INFORMATION:

- Workforce Investment Act; Sections 101(8), 101(31), 122(h), 134(d)(4)(G), 181(d)(1), and 195(4)
- Workforce Investment Act; Final Rule, 20 C.F.R. §§663.700–§663.730
- Trade Adjustment Assistance for Workers under the Trade Act of 1974 (20 C.F.R. Part 617)
- T W C Choices Rules: 40 TAC §811.44 and §811.2(21)
- T W C SNAP Employment and Training Rules: 40 TAC §813.31(2)
- T W C Workforce Investment Act Rules: 40 TAC §841.42
- Texas Workforce Commission Employment and Training Services for Dislocated Workers Eligible for Trade Benefits : 40 TAC, Chapter 849
- Choices Guide, June 2013, Section B-500, Choices Activities and B-1104: OJT and Customized Training Services
- Integration of Trade Services for Dislocated Workers: A Comprehensive Guide, Section D-400.3, Types of Training”
- TWC Non-Custodial Parent (NCP) Choices: A Comprehensive Guide, February 2010

VI. RESPONSIBILITIES:

The Contract Manager shall ensure the Workforce Career Center Service Provider is apprised of and comply with the requirements in this policy.

The Workforce Career Center Service Provider shall ensure that appropriate procedures are implemented and that relevant staff receive training regarding the requirements of this policy.

VII. FORMS AND INSTRUCTIONS:

Employer Application for Customized Training

VIII. DISTRIBUTION:

- Board of Directors
- Board Staff
- Service Provider Staff

IX. SIGNATURES:

Reviewed by EO Officer

Date

President/CEO

Date