

POLICY

CATEGORY:	Workforce Programs-General	No: 4.0.113.07
TITLE:	OJT, Subsidized Employment and Customized Training	
SUPERSEDES:	Policy #4.0.113.06 dtd September 23, 2022	
EFFECTIVE DATE:	May 22, 2025	
DATE APPROVED:	May 21, 2025	
DATE REVIEWED:	May 8, 2025	

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 percentage 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 with 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.

OJT Contracts will not be utilized for individuals already in an employed status; including subsidized employment. This will allow WFSCB to maximize its training funds for individuals who are unemployed seeking training or employment services assistance.

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.

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 Contracted 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 Innovation and Opportunity Act (WIOA)

If WIOA Formula Funds allocations are used to pay for OJT or customized training, WIOA income eligibility requirements apply, except in the case of WIOA Dislocated Worker services. As employers are the subject matter experts within their industry, the Contracted Service Provider will work with the employer to document the training plan that details what skills the participant will learn, the skills attained criteria and the required training hours.

OJT and subsidized employment will be limited in duration to a period not more than that generally required for the acquisition of skills needed for the position within a particular occupation. OJT contracts and subsidized employment are limited to four (4) months. This four (4) month limit may be exceeded with prior approval of the Board Staff. An exception to the four (4) month limit will be allowed for WIOA In-School Youth (ISY) who are actively attending school and are participating in a subsidized employment to which is not full-time. This ISY exception will not need prior Board Staff approval.

OJT/Customized Training payments paid during the period of training shall not average more than fifty percent (50%) of the wages paid to the participant during the training periods; and reimbursement may not occur for holiday overtime, sick, vacation, or other leave and may not exceed 8 hour/day and 40 hours/week. For WIOA, a higher than fifty percent (50%) wage reimbursement rates may be assessed when remaining within the parameters set forth by TEGL 19-16. Participant File, counselor's notes and OJT contract must document the factors used when deciding to increase wage reimbursement levels above fifty percent (50%) and up to seventy-five percent (75%).

The threshold for employer reimbursement in a contract with the employer shall not exceed \$50,000 for customized training in a twelve-month period.

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

Trade Adjustment Act (TAA)

Training, including On-the-Job Training (OJT), Apprenticeships, and Customized Training—For reemployment in another job or career when suitable employment is not available.

At assessment, if determined a rapid reemployment is not possible, Career Center staff will continue with a comprehensive assessment, develop a Reemployment and Training Plan (REP), and refer the dislocated worker to training or OJT, if appropriate.

OJT and customized training opportunities may be developed with employers offering jobs in occupations that meet the eighty percent (80%) wage replacement goal offering jobs in occupations that meet the eighty percent (80%) wage replacement goal for Trade-certified participants, including opportunities for participants to supplement OJT with remedial education as necessary before and during OJT.

Choices and Non-Custodial Parent (NCP)

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 four (4) months. Subsidized employment contracts are limited to four (4) months. Limits may be extended with prior approval of the Board Staff.

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

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 WIOA 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 WIOA services, and through the use of WIOA funds. Customized training for SNAP E&T is considered as vocational training.

V. RELATED POLICY INFORMATION

Laws and regulations governing specific funding sources, as applicable, including the following:

- a. Texas Workforce Commission Workforce Investment Act (WIA) Rules: 40 TAC Chapter 841
- b. Texas Workforce Commission Choices Rules: 40 TAC Chapter 811
- c. Texas Workforce Commission Supplemental Nutrition Assistance Program Employment and Training Rules: 40 TAC Chapter 813
- d. Texas Workforce Commission Child Care Services Rules: 40 TAC Chapter 809, and in accordance with the Board approved Child Care Policies
- e. NCP Choices: A Comprehensive Guide
- g. Texas Workforce Commission –WIOA Guidelines for Adults, Dislocated and Youth, issued August 2015 and revised March 18, 2024 and all subsequent revisions.
- h. Texas Workforce Commission – Workforce Development (WD) Letter 06-14, Change 2 issued November 5, 2024
- i. Texas Workforce Commission – Workforce Development_(WD) Letter 18-21, Change 1 issued March 18, 2024
- j. U.S Department of Labor Training and employment guidance Letter (TEGL) No.19-16, issued March 1, 2017
- k. U.S. Department of Labor Training and employment guidance Letter (TEGL) No. 21-16, issued March 2, 2017
- l. Texas Workforce Commission- Trade Adjustment Assistance Guide, issued May 2020. (OJT and Customized Training Language Section C-408 and C-409) an all-subsequent revisions.
- m. Workforce Development Division- Technical Assistance Bulletin 293, dated January 14, 2020
- n. Choices Guide, dated February 2020.

VI. RESPONSIBILITIES

The Career Center Service Provider Management shall ensure that all staff and the Workforce Solutions Career Center service providers are informed of and comply with this policy.

The Workforce Solutions Career Center service providers shall ensure that appropriate procedures are implemented and that staff receives training regarding the requirements of this policy and rules outlined in the Related Policy Information Section.

VII. FORMS AND INSTRUCTIONS

N/A

VIII. DISTRIBUTION

☒ Board of Directors

☒ Board Staff

☒ Service Provider Staff

IX. SIGNATURES

Ricardo Muniz
Reviewed by EO Officer

June 12, 2025
Date

K. A. Lewis
President/CEO

June 12, 2025
Date