

# NORTH CENTRAL ARKANSAS WORKFORCE DEVELOPMENT BOARD

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WDB Policy #: 2.33

Effective Date: 4/25/2008 (WIA)

Revision Date: 12/13/2017, 6/13/2018, 3/13/2019

SUBJECT            On-the-Job Training

On the Job Training (OJT) is primarily designed to first hire the participant and provide them with the knowledge and skills necessary for the full performance of the job.

Given that WIOA's purpose is to train a workforce that can fill in-demand jobs, priority is given to jobs that are in-demand but will not disallow specialized jobs that will also lead to self-sufficient wages. Ideally, OJT will lead to an industry recognized credential.

OJT is provided under a contract with an employer or registered apprenticeship program in the public, private non-profit, or private sector. The Program Manager or Records Manager has the authority to approve/disapprove contracts. An OJT contract must be limited to the period of time required for a participant to become proficient in the occupation for which the training is being provided.

Through the OJT contract, occupational training is provided for the WIOA participant in exchange for the reimbursement. NCAWDB will reimburse up to 50 percent of participant's wages up to 40 hours a week based on the contract wage. No overtime, paid holidays, paid vacations, paid sick leave, jury duty, etc. will be reimbursed.

In limited circumstances, as provided in WIOA sec. 134(c)(3)(h) and § 680.730, the reimbursement may be up to 75 percent of the wage rate of the participant. The Governor may increase the reimbursement rate for OJT contracts funded through the statewide employment and training activities described in § 682.210 of this chapter up to 75 percent, and the Local WDB also may increase the reimbursement rate for OJT contracts described in § 680.320(a)(1) up to 75 percent, when taking into account the following factors:

- The characteristics of the participants taking into consideration whether they are "individuals with barriers to employment," as defined in WIOA sec. 3(24);
- The size of the employer, with an emphasis on small businesses;
- The quality of employer-provided training and advancement opportunities, for example if the OJT contract is for an in-demand occupation and will lead to an industry-recognized credential;
- Other factors the Governor or Local WDB may determine to be appropriate, which may include the number of employees participating, wage and benefit levels of the employees (both at present and after completion), and relation of the training to the competitiveness of the participant.

Governors or Local WDBs must document the factors used when deciding to increase the wage reimbursement levels above 50 percent up to 75 percent. Reimbursements up to 75 percent will be considered on a case by case basis.

OJT contracts under WIOA title I, must not be entered into with an employer who has received payments under previous contracts under WIOA or WIA if the employer has exhibited a pattern of failing to provide OJT participants with continued long-term employment as regular employees with wages and employment benefits

(including health benefits) and working conditions at the same level and to the same extent as other employees working a similar length of time and doing the same type of work.

OJT contracts may be written for eligible employed workers when:

- The employee is not earning a self- sufficient wage or wages comparable to or higher than wages from previous employment.
- The OJT relates to the introduction of new technologies, introduction to new production or service procedures, upgrading to new jobs that require additional skills, workplace literacy, or other appropriate purposes identified by the Local WDB.
- All other conditions set forth in this policy are met.

Exceptions may be made by the Executive Director.

Approved by the NCAWDB on March 13, 2019

NCAWDB Chair Signature: Gemma Williams