



**Workforce Innovation and Opportunity Act Policy**  
**Employment System Administration and Policy**

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Washington envisions a nationally recognized fully integrated One-Stop system with enhanced customer access to program services, improved long-term employment outcomes for job seekers and consistent, high quality services to business customers. In order to achieve this vision, Employment System Administration and Policy sets a common direction and standards for Washington's WorkSource system through the development of WorkSource system policies, information memoranda, and technical assistance.

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**Policy Number:** 5606

**To:** Washington WorkSource System

**Effective Date:** July 1, 2015

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

**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 addresses gaps in their skill set that hinders them from fully performing a job. OJT also offers individuals a more family-friendly "learn and earn" training option in that they have a chance 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 now.

**3. Policy:**

The Governor may increase the employer reimbursement rate for statewide OJT projects carried out with WIOA Title I funds reserved by the State to more than 50 percent up to 75 percent and Local

Workforce Development Boards (LWDBs) may increase the employer reimbursement rate for OJT contracts to more than 50 percent up to 75 percent after considering the following factors:

1. Characteristics of the participant with an emphasis on someone with barriers to employment as defined in WIOA Section 3(24);
2. Size of the employer with an emphasis on small businesses (i.e., employers with fewer than 250 employees);
3. Quality of employer-provided training (e.g., an industry-recognized credential, advancement opportunity);
4. The number of participants the employer agrees to sponsor;
5. Wage and benefit level of the participant (both during and after completion of the OJT);
6. OJT position is an in-demand occupation as defined by WIOA Section 3(23) and determined by ESD labor market information;
7. OJT employer is an in-demand industry as defined by WIOA Section 3(23) and determined by ESD labor market information; and
8. Employer attestation, in writing, that it is not delinquent in unemployment insurance or workers' compensation taxes, penalties, and/or interest.

LWDBs, through their service providers, must document these factors 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)
- Proposed rules at 20 CFR 680.700, 680.720, and 680.730
- Training and Employment Notice (TEN) 41-10

**6. Supersedes:**

N/A

**7. Website:**

[http://www.wa.gov/esd/1stop/policies/wioa\\_title1.htm](http://www.wa.gov/esd/1stop/policies/wioa_title1.htm)

**8. Action:**

Local Workforce Development Boards and their contractors, as well as Employment Security Regional Directors, should 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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