



**NORTH CAROLINA DEPARTMENT OF COMMERCE
DIVISION OF WORKFORCE SOLUTIONS**

DWS Operational Guidance Number: OG 22-2021

Date: August 3, 2021

**Subject: On-the-Job Training (OJT) Using Workforce
Innovation and Opportunity Act (WIOA) Funds**

From:

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Assistant Secretary for Workforce**

Purpose: To establish and communicate updates to the operational guidance requirements and forms for conducting OJT activities in North Carolina and to rescind PS 04-2015, Change 1.

Background: OJT provides North Carolina a means to expand and enhance workforce service delivery to the state's citizens. OJT is a viable pathway for unemployed workers seeking employment and for employers seeking workers. It offers the unique opportunity to offset initial training costs to fill skilled positions while bundling organizational productivity as the employee learns job requirements. An OJT arrangement can be the impetus for an employer to create a job opportunity. Local Area Workforce Development Boards (LAWDB) should consider OJT placements in the context of in-demand occupations or industries where career pathways exist with employer partners who have a documented plan to add jobs.

OJT, as defined in Section 3(44) of the WIOA, is 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% of the wage rate of the participant, except as provided in Section 134(c)(3)(H) of WIOA, (75%, see note below) 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.

OJT is a viable and compatible part of North Carolina's Integrated Services Delivery product box. The Local Area WDB OJT policy is critical for consistency, institutionalizing services the Local Area WDB seeks to deliver, and managing and leveraging OJT funds. The leveraging of hiring incentives such as the Work Opportunity Tax Credit (WOTC) or the federal High-Risk Employees (HIRE) federal bonding initiative, in conjunction with OJT, can be beneficial in assisting former offenders with gaining employment.

Note: Per Sections 3(44) and 134(c)(3)(H) of WIOA, the amount of reimbursement may be increased up to 75% of the wage rate of the participant if the increased rate of reimbursement is warranted after taking the following factors into account:

- (I) Attributes of the participant with special emphasis on whether the participant is an individual with barriers to employment as defined in Section 3(24) of WIOA;
- (II) The size of the employer, with increased reimbursement available to employers with less than 251 employees;
- (III) The quality of employer-provided training and advancement opportunities; and the quality of employer-provided training and advancement opportunities; and
- (iv) Any other factors deemed appropriate by the Governor or Local Area WDB, respectively, may be determined to be appropriate, which may include the number of employees participating in the training; wage and benefit levels of those employees (at present and anticipated upon completion of the training); and relation of the training to the competitiveness of the participant.

Local Area WDBs must document the factors used when deciding to increase the wage reimbursement levels above the 50% limit set in Section 3(44) of WIOA; provided the reimbursement level cannot exceed 75% in any circumstances.

Action:

Local Area WDBs must adhere to this OJT policy and use the included forms when providing local WIOA OJT services. An updated local OJT policy must be submitted to the DWS Planner when changes are made.

Local OJT policies are developed to ensure federal and state policies and regulations are followed; however, they may be more restrictive than the state policy. If the local policy is more restrictive, staff must follow the local policy.

Effective Date: Immediately

Expiration: Indefinite

Contact: DWS Planner

Attachments: A. OJT Policy
B. Pre-Award Analysis
C. Employer Agreement
D. Training Plan
E. Trainee Evaluation

Rescinded