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PURPOSE

On-the-Job Training (OJT) is work-based training using federal funds, authorized under Section 134 of the Workforce Innovation and Opportunity Act (WIOA). OJT provides participants with knowledge-upgrade and skills-upgrade training necessary for the full performance of a job. Target participants must meet eligibility requirements and be unable to obtain or retain employment without such services. OJT reimburses employers for the extraordinary costs of providing training and additional supervision. The program:

1. Provides Local Workforce Development Boards (Local WDB) with an excellent tool to achieve training and placement goals for WIOA customers.
2. Establishes minimum Missouri standards for federally funded OJT programs.
3. Encourages Local WDBs to develop local protocols and policies for outreach.
4. Supports efforts by Local WDBs to establish minimum standards for company eligibility, such as wages and industry types, while avoiding unnecessary or cumbersome restrictions.
CRITERIA

Adults and Dislocated Workers

Under WIOA\(^1\) and the implementing regulations,\(^2\) training services may be provided to an Adult or Dislocated Worker who:

- Has undergone an interview, evaluation, or assessment by workforce system staff at a One-Stop center or a One-Stop partner, as well as career planning, which together determine the participant to be:
  - Unlikely, or unable, to obtain or retain employment that leads to economic self-sufficiency or wages comparable to—or higher than—wages from previous employment through career services;
  - In need of training services to obtain or retain employment leading to economic self-sufficiency or wages comparable to—or higher than—wages from previous employment; and
  - In possession of the skills and qualifications to participate successfully in training services.

- Has selected a program of training services that is directly linked to the employment opportunities in the local area or the planning region, or in another area to which the individual is willing to commute or relocate;

- Is unable to obtain grant assistance from other sources to pay the costs of such training [including such sources as State-funded training funds, Trade Adjustment Assistance (TAA), and federal Pell Grants established under Title IV of the Higher Education Act of 1965] or requires WIOA assistance in addition to other sources\(^3\) of grant assistance (including federal Pell Grants); and

- Is found eligible (if training services are provided through the Adult funding stream) in accordance with the State and local priority system for Adults that is prescribed by WIOA\(^4\) and the regulations.\(^5\)

The required Training Services questions [outlined in the WIOA Adult and Dislocated Worker Programs Technical Assistance Guidance (TAG)\(^6\)], must be documented, at a minimum, in Case Notes in the statewide electronic case-management system. Case Notes also must document\(^7\) any contact with the participant or employer, changes of a participant’s circumstances, and any Supportive Services rendered.\(^8\)

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\(^1\) WIOA sec. 134(c)(3)(A) and (B) [29 U.S.C. 3174(c)(3)(A) and (B)]
\(^3\) Provisions relating to fund coordination are found at 20 CFR 680.230 and WIOA sec. 134 (c)(3)(B) [29 U.S.C. 3174(c)(3)(B)].
\(^4\) WIOA sec. 134(c)(3)(E) [29 U.S.C. 3174(c)(3)(E)].
\(^5\) 20 CFR 680.600.
Youth Work Experience

WIOA allows OJT as a Work Experience for enrolled Youth. Limit OJT agreements with an employer to the duration necessary for the participant to become competent in the skills required to perform the position. To determine the duration of the Youth’s OJT assignment, local staff must review:

- The specific O*NET® vocational preparation level of the trainee position;
- The skills and abilities of the Youth; and
- The knowledge, skills, and abilities (KSAs) of the OJT employer’s position—i.e., a skills-gap analysis.

An assessment of the Youth participant’s interests, skills, and abilities is required. Base the writing of OJT Training Plans on the participant’s career and occupational goals, the Individual Service Strategy (ISS), and prior Work Experience. Local Workforce Development Areas are strongly encouraged to place Youth participants in OJT opportunities that are in high-growth industries identified by regional Labor Market Information. Develop, implement, and monitor OJT employer agreements and Training Plans for Youth in accordance with the guidelines in this Manual.

For OJT Work Experience, target Older Youth and Young Adults, recent graduates of post-secondary schools and training programs, and eligible veterans. It is State policy⁹ to exclude OJT from Work Experiences for Youth younger than age 18 and those without a high school diploma or its equivalent.

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PARTICIPANT REQUIREMENTS

In certain instances, an OJT placement is the most appropriate method to secure employment for a participant. Staff must complete an appropriate assessment of participants chosen to participate in an OJT opportunity. Consider the skill requirements of the occupation, the academic and occupational skill level of the participant, and the participant’s prior work experience preceding the execution of the training plan. These factors determine the length of the training plan.

Place the participant in an OJT opportunity that is consistent with the occupational goal of the participant’s Employment Plan (EP). The frontline workforce staff is responsible for updating the EP as necessary. Refer to the Statewide Individual Employment Plan Development Policy10 for further guidance on EP requirements. These include specific requirements addressing short and long-term goals as well as required documentation for addressing the identified skills gap.

At a minimum, the EP must contain:

- A short-term (training or employment) goal;
- A long-term (employment) goal that clearly documents the career pathway;
- Objectives required to meet the goals listed, and required training components (remedial, pre-requisites, skills, OJT, etc.);
- A justification of appropriateness for the short-term and long-term goals which:
  o Is based on assessment information, an interview with the participant, and skills obtained from previous employment;
  o Explains the skills gap that the EP is designed to overcome. “Skills gap” is defined as the significant gap between the skills required by the employer, and the current capabilities of the applicant; and
  o Includes barriers to employment and/or participant needs, if applicable.

After the EP and Participant Assessment are completed, the frontline workforce staff also must consider:

- Will the participant need to learn new skills for the OJT position, or does the participant currently possess those skills;
- Is OJT the best strategy for the participant to learn these new skills, or is occupational skills training more suitable for the participant; and/or
- Can the participant obtain the position without reimbursement to the employer? If so, a direct job placement is appropriate, and OJT is not allowable.

Reverse Referral

Many times a company identifies a potential OJT participant first. In these cases, the individual lacks skills the employer requires and is in need of OJT. The company must first refer the individual to the Job Center for eligibility determination prior to beginning the hiring process. Any individual hired prior to the eligibility determination is not eligible for the federally funded OJT program.

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OJT EMPLOYER OUTREACH AND ELIGIBILITY

Outreach

A sound outreach premise is that businesses will use an organization that serves their interests. Outreach efforts begin with the Job Center Business Services staff and avoid duplicative contacts. Define outreach objectives locally to suit the area’s employment conditions and requirements. Research Labor Market Information using online resources, such as the Missouri Economic Research and Information Center (MERIC), O*NET® Online, and the North American Industry Classification System (NAICS).

OJT outreach can include direct and indirect methods. These can be face-to-face contacts with employers, mail-outs (introduitory letters, notes of appreciation, and newsletters), involvement with the Chamber of Commerce, press releases, networking with other agencies, and speaking to business-oriented organizations.

Outreach strategies include:

- Researching companies before contact, noting previous labor needs and impending labor requirements;
- Targeting high-growth and in-demand industries in the Local Workforce Development Area (LWDA);
- Educating employers about how OJT can reduce waste and turnover to save the company money, skill-up the workforce, and increase profits; and/or
- Offering the employer assistance with completing the required paperwork.

Determining Employer Eligibility

OJT Training Agreements are not entitlements. Local WDBs use OJT to develop long-term employment opportunities by identifying priority employers.

Every OJT employer must affirm enrollment and participation in the E-Verify federal work authorization program. This affirmation is part of the OJT Agreement.

Complete a pre-agreement evaluation of the employer’s performance using all of the following criteria:

- Pre-award review—WIOA Section 181 and the regulations at 20 CFR 683.260 prohibit the use of OJT funds for a training position at a business that has recently relocated if that physical relocation resulted in the loss of employment for any employee of that business. In such a case, the position must be in place for at least 120 days at the business’ new location before it is eligible for OJT. A pre-award review is required to verify that a business that claims to be “new” or “expanding” is not, in actuality, relocating. Document all pre-award reviews and include names under which the company does business; the name, title, and address of the company official certifying the information; and whether assistance is sought in connection with past or impending job losses at other facilities, including a review of whether Worker Adjustment and Retraining Notification (WARN) notices relating to the employer have been filed. The review may include consultation with labor organizations and others in the affected LWDA.
• It is State policy that the employer must have:
  o Recalled—or attempted to recall, in good faith—all employees who entered active layoff or participated in the Missouri Shared Work Unemployment Compensation Program\(^{11}\) within the past 365 days in the local labor market area; and
  o Not given notice of layoff to any employees from the same position or any substantially equivalent position.
• The training must not displace current employees.
• The company must have regulations that address safety and health issues.
• Appropriate supervision and training must be provided for all participants.
• Training must not duplicate a service already available through other programs of the Missouri Department of Economic Development, including the Skilled Workforce Missouri program.
• WIOA stipulates\(^{12}\) the regulations reinforce\(^{13}\) and State policy concurs, that the local OJT coordinator must **discard employers that consistently fail to retain** OJT participants. The local OJT coordinator must not create an OJT program agreement with an employer who has previously exhibited a pattern\(^{14}\) of failing to provide OJT participants with continued long-term employment as regular employees with wages, benefits, and working conditions. A participant’s situation must be equivalent to that of regular employees who have worked a similar length of time and are doing the same type of work.
• The position must not be seasonal employment.
• The wages and benefits must be appropriate, based on \(\text{O*NET State and National Wage Tables}\).
• The employer must pay its employer wage taxes.
• The position must be a full-time position, defined as 32 or more hours per week.
• Training must not impair any existing agreements for services or collective bargaining agreements.
• Training Agreements cannot be for temporary or intermittent employment, or for employment in an occupation for a fee.
• It is prohibited to enter an OJT agreement with a State agency.
• It is prohibited for any local governmental WIOA operator to enter an OJT agreement with any other unit of that same government.

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\(^{11}\) To participate in the State Shared Work Program, an employer must complete an application for the affected unit within the company, and submit it to the Division of Employment Security (DES) for approval.
\(^{12}\) WIOA sec. 194(4) [29 U.S.C. 3254(4)].
\(^{13}\) 20 CFR 680.700(b).
\(^{14}\) WIOA sec. 194(4) specifically includes past OJT performance (if any) under the Workforce Investment Act of 1998, as well as contemporary performance under WIOA, for identifying a “pattern.”
REQUIRED PAPERWORK

OJT Program Agreement

OJT operates under an agreement with an employer in the public, private non-profit, or private sector. DWD strongly recommends that its forms for OJT program management, listed at the end of this guide, be utilized for agreements and program management. If forms with local identifiers or headers are used, they must include all information required on the current corresponding DWD form. The form used should record information in the same format as required on the DWD form.

Complete an employer orientation with each employer and/or employer representative to discuss the training provisions, general assurances, training plans (including the attainment of skills), program monitoring, and invoicing procedures. In the orientation, also discuss WIOA’s nondiscrimination requirements. Equal Opportunity for all participants is without regard to race, color, religion, sex, national origin, age, disability, political affiliation, belief, or status as a participant in the OJT program. Participants cannot be employed in the construction, operation, or maintenance of a facility primarily devoted to sectarian instruction or religious worship. The Local WDB must have a policy in place to handle employer disputes, nepotism, and agreement-modification requests.

OJT Program Agreement Minimum Requirements

At a minimum, an OJT Program Agreement must include:

- Employer contact information, including FEIN;
- Training operator contact information;
- Beginning and ending date of the OJT Program Agreement (of the Agreement, not the duration of a participant’s training, which may not exceed one year) and the Program Agreement also may require an OJT Supplemental Agreement if the duration of the participant training extends beyond the original Agreement dates (reimbursement will not be made for those hours unless a Supplemental Agreement is previously in place);
- The number of participants to be provided full-time employment under the OJT Program Agreement;
- The total fixed price of the OJT Program Training Agreement;
- Employer Attestation of Workforce Status and Electronic Time Management System:
  - The concurrence of the Collective Bargaining Agent, if applicable;
  - Authorized, dated signatures of the employer and the training operator;
  - E-Verify enrollment documentation with an affidavit of work authorization;
  - Legal Certifications regarding Debarment and Suspension in accordance with the Uniform Guidance at 2 CFR Part 2998; and

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15 WIOA sec. 188; [29 U.S.C. 3248] and it implementation regulations at 29 CFR Part 38.
• OJT Program Agreement (DWD-PO-213) General Assurances must include:
  o E-Verify confirmation;
  o References to labor standards;
  o Grievance procedures;
  o Compliance with all applicable business licensing and taxation;
  o Provisions covering liability, sanctions, and debt repayment; and
  o The employer’s commitment to retain the participant(s) upon training completion.

Training Plan Minimum Requirements

The OJT Training Plan must identify the occupation, skills, and competencies for which the participant is training, as well as the length of time of the training. The OJT Training Plan also must establish a benchmark for the normal duration of time required for an average participant to become proficient in the occupation for which the training is to be provided. To determine the appropriate length of the training agreement, consider the skill requirements of the occupation, the academic and occupational skill level of the participant, prior work experience, and the participant’s EP.\textsuperscript{16}

Thoroughly document the Skills Gap Analysis at a level sufficient to justify expenditure of federal OJT funds.

Determine the position for which the participant will train, and then develop a Training Plan. The Plan will be a formal, written outline of structured job training. That training is to combine instruction in general employment competencies with occupationally specific skills that will enable the participant to work toward self-sufficiency. Use O*NET and/or the company’s job description as a basis to list skills or tasks. Keep each skill description concise and comprehensive, and make sure the individual tasks are measurable and observable.

The Training Plan (On-the-Job Training Outline and Job Description Form) must include:

• Name of participant;
• The statewide electronic case-management system State ID and the last four digits of Social Security number;
• Occupation for which training will be given;
• O*NET Code;
• Specific Vocational Preparation (SVP) Level;
• Starting and ending dates of training (not the Program Agreement; any variance requires an OJT Supplemental Agreement.);
• Number of hours per week participant will work;
• Initial wage rate and scheduled raises (if any);
• OJT wage and the percentage of reimbursement;
• Maximum OJT-obligation amount;

\textsuperscript{16} 20 CFR 680.700(c).
• Name or job title of person responsible for training;
• A job description and training outline that clearly reflects what the participant will learn and the length of the purposed training;
• A list of specific skills or tasks the employer agrees to provide to the participant;
• Signature of participant and date; and
• Signature of employer/trainer and date.

An OJT Agreement with a participant’s former employer is discouraged and only allowable with prior approval from the Business Services Team Lead and the DWD OJT Program Coordinator. The Training Plan and participant’s statewide electronic case management system EP must additionally document that the OJT participant is training in an upgraded position.

The Training Plan and participant’s record must additionally document short-term and long-term goals, and identify the skills gap between the participant’s readiness and the occupation’s requirements.

Training Plan reimbursement rates must not exceed 50 percent of the wage rate of the participant. OJT agreements also may be entered into with Registered Apprenticeship program sponsors or participating employers in Registered Apprenticeship programs for the OJT portion of the registered apprenticeship program consistent with 20 CFR 680.700. Depending on the length of the Registered Apprenticeship and State and Local WDB OJT policies, these funds may cover some or all of the duration of the registered apprenticeship.

Additionally, the Governor may authorize an increase in the reimbursement rate for the OJT agreements funded through the statewide employment and training activities described in 20 CFR 682.210 of up to 75 percent. The Local WDB also may increase the reimbursement rate for OJT agreements described in 20 CFR 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 agreement is for an in-demand occupation and will lead to an industry-recognized credential; and
• Other factors the Governor or Local WDB may determine 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.

The Governor or a Local WDB must document the factors used when deciding to increase the wage reimbursement level above 50 percent up to 75 percent.
In determining the appropriate length of the Training Agreement, consider the skill requirements of the occupation, the academic and occupational skill level of the participant, prior work experience, and the participant’s EP. Base the participant’s length of training on the skills gap between the position and the OJT participant. **Training must not exceed 1,040 hours.**

The following is the conversion between the Specific Vocational Preparation (SVP) Level of the occupation and the maximum weeks of training allowed for an OJT participant. (An explanation of the various levels of SVP is available at [O*NET Online](https://www.onetonline.org).)

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<tr>
<th>SVP Level</th>
<th>Maximum Duration of OJT</th>
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<tr>
<td>1</td>
<td>Short demonstration only</td>
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<tr>
<td>2</td>
<td>Up to 1 month</td>
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<tr>
<td>3</td>
<td>Up to 3 months</td>
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<tr>
<td>4 and up</td>
<td>Up to 6 months = 1040 maximum hours of training</td>
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As mentioned in the bullet point on page 8 (“Employer Eligibility”), OJT participants’ compensation and benefits must be at the same rates, including periodic increases, as that of trainees or employees in similar occupations for the same employer who possess similar training, experience, and skills. Such rates shall be in accordance with applicable law, but in no event less than the higher of the rate specified in Section 6(a)(1) of the Fair Labor Standards Act of 1938 [29 U.S.C. 206(a)(1)] or the applicable State [https://labor.mo.gov/DLS/MinimumWage](https://labor.mo.gov/DLS/MinimumWage) or local minimum wage law. [WIOA sec. 181(a)(1)(A); 29 U.S.C. 3241(a)(1)(A)]. Rates shall not be less than the higher of the federal, State, or local minimum wage.  

**Invoicing**

Payments to employers for the OJT must comply with WIOA program guidelines and the Local WDB’s policies. Local WDBs must ensure that payments to employers compensate for the extraordinary costs associated with training and the costs associated with the lower productivity of participants. Employers are not required to document these extraordinary costs.

DWD does require, however, that employers establish record-keeping and record-retention systems that adequately support OJT invoices. All records associated with payment to employers must be available to DWD monitors. The invoice system that determines reimbursement must clearly document the number of hours worked each day by the participant and the rate of pay for the period. Both the participant and the employer must sign the invoice, unless the participant signs documentation (timesheet/timecard) that the employer attaches and reconciles to the invoice.

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17 It is also DWD policy that no OJT will be approved for a wage rate below the State minimum wage, which exceeds the federal minimum wage, and is $7.85 an hour as of the date of this Issuance.
In the event the participant is unable to sign a timesheet, outline attempts to secure a signature in Case Notes. If a company uses an electronic time-management system to capture attendance, and attests to its use in the Program Agreement, the participant’s signature is not necessary.

Base the payments to employers on scheduled raises and regular pay increases, if they occur. Any such raises must be documented within the OJT Supplemental Agreement (form DWD-PO-215) and must be in place prior to the reimbursement of the wage increase. Payments to employers cannot be based on higher wages due to overtime, shift differential, premium pay, other non-regular wages paid by the employer, or periods of time in which no training occurs (illness, holidays, plant downtime, or other events).

The form DWD-PO-220, “OJT Monthly Invoice,” serves as an example of an invoice. Employers cannot pay OJT participants in cash.

**Documentation Requirements**

Job descriptions contained in OJT Training Plans must be consistent with the training. Local WDBs must document that the proposed training is in the agreed-to occupation.

Local WDBs are responsible for monitoring training, invoicing, and reimbursement systems on a pre-determined, systematic, and documented basis. Local WDBs must verify and document progress and provide technical assistance, as needed, to the employer and the participant.

All employers are required to maintain their own internal supporting documentation in accordance with the record retention requirements in Article 6 of the Program Agreement General Assurances (form DWD-PO-213).
**MONITORING**

Monitoring of the OJT Training Agreement is the responsibility of the Training Operator (Local WDB). The duty may be assigned to another designated entity or individual, provided there is no conflict of interest. The monitoring will include participant training and the corresponding employer payroll records. To ensure validity and propriety of the reimbursement amounts claimed, **onsite monitoring of OJT employers and other subrecipients is required.**

For program compliance, onsite monitoring of each participant must occur, at a minimum, at **mid-training and upon completion.** Document mid-point and end-point monitoring on the DWD- PO-219-Part B form during onsite monitoring. Also document the mid-point and end-point monitoring results in Case Notes.

To evaluate an employer’s performance to determine suitability for future agreements, ascertain the following:

- Did the employer retain the completed OJT participants;
- Did monitoring identify training as poor or incomplete;
- Was there an increase or decrease in wages after training;
- Was the participant dismissed after training or during the follow-up period; and
- Were there any participant grievances?

The Local WDB or its designee must conduct sub-state monitoring of its programs, including employer fiscal records, as outlined in the Statewide Sub-state Monitoring Policy. DWD will monitor for program compliance through the statewide electronic case management system and Local WDB financial records during the annual Programmatic/Financial Monitoring.

**REPORTING**

Local WDBs must report OJT as a program cost on their monthly progress reports required by the DWD Financial Manual (page 58). Additionally, report OJT on a quarterly basis as a line item on the separate reporting tool provided by Financial Management. Program compliance will be reviewed and included as part of the sub-state monitoring report.

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OUTCOMES

When a participant completes the OJT activity, use one of the following Service Code 301 OJT Training Service outcomes and definitions in the participant’s case management record:

- Did Not Complete;
- Non-OJT Related Employment;
- OJT Related Employment;
- Retained by OJT Employer; and or
- OJT-Did Not Complete.

It is important to select the correct OJT Training Service outcome because the outcome will effect Performance Measures for the LWDA and the state of Missouri. Be aware that there are other selectable options in the statewide electronic case management system that are not to be used for OJT program participants. Only the outcomes listed in the bulleted list above are acceptable entries for OJT Program participants in the statewide electronic case management system.

FORMS

(CLIK THE HYPERLINK FOR THE CURRENT VERSION OF EACH FORM.)

DWD-PO-213 On-the-Job Training Program Agreement
DWD-PO-214 On-the-Job Training Outline and Job Description
DWD-PO-215 On-the-Job Training Supplemental Agreement
DWD-PO-217 On-the-Job Training Eligibility Notification
DWD-PO-219A On-the-Job Training Monitoring Report; Part A (Employer),
DWD-PO-219B On-the-Job Training Monitoring Report; Part B (Participant)
DWD-PO-220 On-the-Job Training Monthly Progress Report/Invoice

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