



On-the-Job Training Policy: Philadelphia Works, Inc.

Overview:

The Workforce Innovation and Opportunity Act (WIOA) and The Department of Health and Human Services (HHS) defines “on-the-job training” (OJT) as paid training that combines a period of subsidized employment with training provided by an employer to a participant specifically to:

- Address an identifiable skills gap to acquire the knowledge or skills essential to the full and adequate performance of the job;
- Offer an opportunity to enter and move up in the workforce (career pathways);
- Engage in a length of training time that corresponds to the identified skills gap, the content of the training, and prior work experience of the participant;
- Provide partial reimbursement of the wage rate to the employer for the costs of providing the training.

This policy applies to those OJT opportunities that are funded through regular Temporary Assistance to Needy Families (TANF) and WIOA allocations.

Philadelphia Works’ OJT policy is underpinned by the requirements set forth in the WIOA and TANF program and the most beneficial utilization of WIOA and TANF funds to support OJT opportunities. Philadelphia Works’ mission to develop and manage smart workforce solutions that respond to business needs and increase economic opportunity for all Philadelphians drives the investment of WIOA and/or TANF funds in OJT opportunities.

Philadelphia Works’ vision of a thriving Philadelphia workforce and a stronger local economy is based on a set of core values and strategic priorities that are aligned with local economic development goals.

All OJT requests are subject to review by Philadelphia Works, Inc. and must be made by the employer in accordance with the policies and procedures identified herein including but not limited to trainee experience, appropriate hourly wages, trainee needs, work experience and any other relevant factors.

On-the-Job Training (OJT) serves the basic purpose of encouraging employers to hire and upskill an eligible individual, providing the skills and competencies for a position the participant would not qualify for otherwise. While the job-seeker benefits by earning a wage while learning in a hands-on environment, the employer benefits through increased staff capacity and productivity. OJT provides the employer with partial wage-rate reimbursement in exchange for self-designed, occupational training and related supervision. Priority for OJT funding will be given to public assistance recipients, other low-income individuals and individuals who are basic skills deficient.

The OJT policies and procedures outline specific participant and employer eligibility requirements and other stipulations necessary to engage in an OJT opportunity. An OJT contract may be executed for jobs that are considered High Priority Occupations (HPO) and/or jobs based on industry needs as assessed by Philadelphia Works. HPOs are job categories, within selected industry clusters, that are in demand by employers, have higher skill needs and are likely to provide family-sustaining wages. Training for jobs that are not HPOs may be permitted in special circumstances where the employer can demonstrate a substantial need by providing an attestation document outlining the business need and hiring challenges encountered when trying to fill the position.



Programs training five or more individuals in the same job title within a single quarter or three-month period must meet the requirements to be funded as a Customized Job Training (CJT) rather than OJT.

Employer Eligibility and Requirements

OJTs are available to employers in the non-profit or private sector. In order to qualify for an OJT agreement with Philadelphia Works, the employer must:

- Provide confirmation that the employer can hire, provide adequate training, and retain the OJT participant for continued employment upon the conclusion of the successful training period.
- Be based in Philadelphia county, or hiring trainees who are based in Philadelphia county
- Certify that the position will meet the Philadelphia Works OJT self-sufficient wage of \$17 an hour at a minimum of 32 hours per week (full time employment) with evidence that the position is on a career pathway towards higher level and/or higher paying jobs upon completion of the OJT.
 - a. Based on the priorities outlined in this policy and the guiding principles of OJTs generally, in situations where collective bargaining agreements or similar formal arrangements exist, the employer must provide union concurrence before proceeding with contract initiation of the OJT activity.
 - b. Individuals in OJTs must be compensated at the same rates, including periodic increases, as existing trainees or employees.
 - c. Individuals in OJTs must also be offered benefits and working conditions at the same level and to the same extent as other trainees or employees working a similar length of time and doing the same type of work.
- The employer must not have a previous pattern of failing to provide individuals who have received OJT with permanent and long-term employment upon completion of the OJT.
- Develop a skills development plan* that is appropriate to the identified skills gap, length and content of the training, and prior experience of the participant. The skills development plan shall be based on a Skilldex or an individual employment plan that supports the participant's employment goals.
- Provide proof of unemployment insurance and workers' compensation
- Be current on all tax obligations and in good financial standing
- Be able to align hiring start dates with OJT contract processing timelines

* The "skill development plan" is developed by the employer to specify how the employer will provide an individual with training services to acquire an identified skill necessary to obtain or retain employment. The length, mode, and substance of the training program will be specifically stated in the training plan.

Please note that additional eligibility requirements for both participants and employers may apply in cases where grant funding outside of WIOA/TANF is utilized.

Trainee Eligibility

Customers of the PA CareerLink® Philadelphia centers who meet the eligibility requirements for training, as stated below, will have access to OJT opportunities:

1. The trainee must be a Philadelphia resident and enrolled in the WIOA and/or EARN programs; and
2. OJT opportunities will be made available to unemployed adults and dislocated workers who:



- a. Need training services to obtain or retain employment that leads to economic self-sufficiency
- b. Seek wages comparable to or higher than wages from previous employment through career services
- c. Have selected a program of training services that is directly linked to the customer goals as detailed in the individual employment plan* (IEP) and employment opportunities in the local area

*The “individual employment plan” is an individualized career service that is developed jointly by the participant and the PA CareerLink partner when determined appropriate. The plan is an ongoing strategy to identify employment goals, achievement objectives, and an appropriate combination of services for the participant to achieve the employment goals.

Note on On-the-Job Training and Apprenticeships

Apprenticeship Programs are eligible to apply for OJT funding. The maximum reimbursement amount for trainees receiving OJT funding while in an apprenticeship program is \$8,000 per OJT. For more information, please refer to Philadelphia Works’ Apprenticeship Policy

Stipulations

- Length of Training. An OJT contract will be limited to the period of time required for a participant to become proficient in the occupation for which the training is being provided for up to 13 weeks. In determining the appropriate length of the contract, consideration will be given to Pennsylvania Department of Human Services TANF guidelines, the skill requirement of the occupation, the academic and occupational experience of the participant, and both the participant’s individual employment plan and the employer’s training plan. Employers are required to proactively discuss and justify the need for extensions beyond 13 weeks.
- Fund Reimbursement. Philadelphia Works will reimburse the employer a percentage of an eligible OJT participant’s wage rate commensurate with the type of training being proposed. Employers will be reimbursed up to 50 percent of a participant’s wage per hour. While participants may be paid a higher hourly wage, employers will only receive 50 percent reimbursement for, not to exceed \$8000 per trained individual, regardless of funding stream.
 - a. The wage reimbursement rate is based on the size of the workforce as follows:
 - i. 50 percent of the hourly wage for employers with 50 or fewer employees;
 - ii. 25 percent of the hourly wage for employers with 51 to 100 employees; and
 - iii. 10 percent of the hourly wage for employers with more than 100 employees
 - b. The employer size is determined by the number of employees currently employed at the local operation where training will occur. This size is determined by defining each employer based on the Federal Employment Identification Number (FEIN) and the number of employees that the FEIN employs within the city of Philadelphia. Employer size is also determined at the time of the on-the-job training contract including employers with seasonal or intermittent employee size fluctuations. Employers must provide documentation to exhibit employer size.
- Funding Exceptions. In limited circumstances, Philadelphia Works will increase the reimbursement level considering the following factors, which must be documented and approved by the CEO:
 - a. The characteristics of the participants taking into consideration whether they are individuals with barriers to employment;



- b. The size of the employer, with an emphasis on small businesses;
 - c. 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;
 - d. Other relevant factors, as appropriate.
- Employer Referrals. The PA CareerLink® offers a robust pool of potential OJT trainee candidates and employers must first consider and interview PA CareerLink® referred OJT trainees. If no viable candidates are identified, employers may refer candidates of interest to the PA CareerLink® centers for services. The company must first refer the individual for eligibility determination and an assessment for qualifications for the OJT opportunity. Philadelphia Works reserves the right to decline a candidate of interest based on criteria set forth in this policy.
- Contractual. The OJT contractual agreement must be completed and signed by the employer before the trainee starts working. If the trainee starts working before the contract is signed by the employer, the employer will not be eligible for funds reimbursement for that trainee.
- A participant in an OJT will not be employed in or assigned to a job if:
 - a. Any other individual is on layoff from the same or any substantially equivalent job;
 - b. The employer has terminated the employment of any regular, unsubsidized employee or otherwise caused an involuntary reduction in its workforce with the intention of filling the vacancy with the participant; or
 - c. The job is created in a promotional line that infringes in any way on the promotional opportunities of currently employed workers.
- A participant in a program or activity authorized under HHS must not displace (including a partial displacement, such as a reduction in the hours of non-overtime work, wages, or employment benefits) any currently employed employee (as of the date of the participation).
- OJTs are not intended to impair any existing contracts for services or collective bargaining agreements. When a program or activity authorized under TANF would be inconsistent with a collective bargaining agreement, the appropriate labor organization and employer must provide written concurrence before the program or activity begins.

Ineligible Funds

- Funds provided to employers for OJTs must not be used to directly or indirectly assist, promote or deter union organizing.
- Funds must not be used or proposed to be used for the encouragement or inducement of a business or part of a business to relocate from a location in the United States if the relocation results in any employee losing his or her job at the original location.
- Funds must not be used or proposed to be used for any business or part of a business that has relocated from a location in the United States, until the company has operated at the new location for 120 days, if the relocation has resulted in any employee losing his or her job at the original location.
- OJT funds may not be utilized for unallowable costs like entertainment, marketing/advertising, or food/beverage.

Application Process:

Businesses, organizations, or training providers interested in On-the-Job Training should connect with Philadelphia Work's Training Initiatives Team. This team will provide a general overview of the On-the-Job Training program including eligibility, requirements, funding allowances, contracting, and reimbursement.

Interested organizations should be prepared to discuss their goals and projected outcomes with the Training Initiatives team to ensure investment alignment. Please note that applications will be reviewed and awarded on a case-by-case basis.

Once the Training Initiatives team has discussed the training plan, confirmed eligibility, and timeline with the business or training provider, they will work with the organization to complete the application, provide necessary documents, and execute a contract.

Application Considerations:

When determining the eligibility of an OJT application, Philadelphia Works will consider the following factors:

- The strategy, vision and goals established in the Philadelphia Works Local Plan
- The characteristics of the new hires to be trained (i.e., do the individuals represent populations with barriers to employment? How will these individuals benefit from a skills gain? How will training result in retention or advancement?)
- The quality of the training (i.e., pathway to advancement, industry recognized credentials, etc.)
- The number of participants the employer plans to train or retrain
- The wage and benefit levels of participants both before and after training
- The availability of WIOA, TANF, and other grant funding sources for OJT services

Data Tracking and Reporting:

Employers will be required to submit to Philadelphia Works data and information on individuals who receive On-the-Job training, including employment status after training, wages after training, credential attainment, and measurable skill gain. Philadelphia Works may also collect additional employer data such as employer size, industry, and other information to evaluate the effectiveness of incumbent worker programs. The Commonwealth Workforce Development System (CWDS) is the system of record.

Such documentation may include:

- Employer data such as employer size, industry, and other information to evaluate the effectiveness of incumbent worker programs
- Documents for contracting which may include W-9s, Certificate of Insurance, and Certificate of Worker's Compensation
- Verification of trainee tenure
- Trainees Social Security Number and demographics collected for state and federal reporting requirements
- Training Provider information, training plans or curriculums, and connections to career pathways
- Verification of trainee wages/salary before and after training
- Training attendance, credential attainment, and measurable skill gain
- Post-training outcomes (i.e., retention and actual career progression)



Contact

Any questions about this program or process should be directed to the Philadelphia Works Manager of Training and Apprenticeship, Kaila Shannon, at kshannon@philaworks.org.