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**GST MICHIGAN WORKS! POLICY 15-13 Change 8**  
**(Board Approved March 11, 2022)**

**TO:** GST Michigan Works! Service Providers and Agency Staff

**FROM:** Jody Kerbyson, CEO

**SUBJECT:** On-the Job Training (OJT)

**EFFECTIVE:** January 1, 2022

**PROGRAMS AFFECTED:** Workforce Innovation and Opportunity Act (WIOA) –Public Law 113-128 Partnership. Accountability. Training. Hope (PATH)

**REFERENCES:** Workforce Innovation and Opportunity Act (WIOA) –Public Law 113-128 WDA Policy Issuance PI 12-18

**RESCISSIONS:** GST Michigan Works Policy 15-13 change 1, 2, 3, 4, 5, 6 & 7

**BACKGROUND:** This policy provides clarification that On-the-Job Training contracts may be written with an employer or registered apprenticeship program sponsor in the public, private non-profit, or private sector when appropriate.

**POLICY:** Attached



## OJT POLICIES AND PROCEDURES FOR WIOA AND PATH PROGRAMS

On-the-Job Training (OJT) means training by an employer in the private or public sector given to a participant who may have participated in Basic Career Services and has been determined to benefit from this type of training in accordance with the Individual Employability Plan (IEP) or Individual Service Strategy (ISS). The participant has been referred to and hired by the employer, following the development of an agreement with the employer to provide occupational training in exchange for reimbursement of the employer's extraordinary costs. On-the-Job Training occurs while the participant is engaged in productive work which provides knowledge and skills essential to the full and adequate performance of the job. OJT will be provided to those who can benefit from and are most in need of such services within the GST Michigan Works region.

OJT is a training option meant to be conducted in the highest skill occupation appropriate for the eligible participant. It is not subsidized employment for low-skill occupations which need very little training time.

WIOA 680.700 defines the requirements of an OJT. WIOA sec. 3(44) On-the Job Training is provided under a contract with an employer or registered apprenticeship program sponsor in the public, private non-profit, or private sector.

The Objective of an OJT is to purchase training and to provide an opportunity for WIOA/PATH participants that they might not otherwise have. Reimbursement is provided to employers to pay for the extraordinary costs associated with training participants. Employers are not required to document these extraordinary costs. However, they are understood to include costs resulting from: more intense supervision; above average material waste; abnormal wear on tools; down time; and lower rates of production.

This does not preclude a participant who has been trained by one employer from ultimately being placed in a comparable training-related position with another employer. On-the-Job Training may be sequenced with or accompanied by other types of training such as classroom training or literacy training.

OJT shall be provided to eligible WIOA/PATH participants who are assessed for training and subsequent placement into unsubsidized employment. The participant must demonstrate a need for training through the assessment/testing/counseling phase.

Service providers will be responsible for conducting periodic on-site monitoring of employers with whom they have entered into an OJT contract(s), to ensure compliance with these procedures. **(On Site Monitoring Form).**

### The following guidelines apply to managing the OJT activity.

1. The individual must first apply for services and be determined eligible for WIOA/PATH funded programs.
2. The eligible individual must be tested/assessed and an ISS/IEP must be initiated. The primary purpose of the ISS/IEP is to determine that there is a need for training and that the applicant is a likely candidate to benefit from the OJT training. The ISS/ IEP must be updated as appropriate. An ISS will be initiated for any youth participating in OJT.
3. The referral and interview of the participant shall occur when the appropriate service provider staff has determined that the individual has the occupational interest and aptitude necessary for the available OJT position. Those acceptable OJT applicants whose needs match current job orders shall be referred to the employer for consideration.

4. An OJT is not allowed for participants who were previously employed or are currently employed by the prospective employer, in the same, a similar, or an upgraded job, except for registered apprenticeships. An OJT contract may be written for an unemployed participant, who returns to a previous employer to train for the next level of skill sets in the apprenticeship process. (TEGL 680.740)
5. Only those participants who have been assessed and for whom OJT has been determined to be an appropriate activity in the participant's IEP/ISS may be referred to an employer for OJT participation.
6. A participant referred to the WIOA/PATH program by an employer may be enrolled in an OJT program with such employer ONLY upon completion of an ISS/IEP in which OJT with such employer has been determined to be an appropriate activity and only if the employer has not already hired such individual.
7. Service Providers are responsible for adhering to the MWA's policies and procedures governing conflict of interest when procuring OJT contracts.
8. All OJT's must be conducted in and consistent with the MWA's demand-driven workforce system. There must be a reasonable expectation of long-term employment. Long-term employment is considered to be a minimum of six months employment. OJT's must be consistent with the priority industries and/or occupations identified by the MWA's Business Services Unit. OJT's should be conducted in the highest skill occupations appropriate for the participant. OJT's will not be conducted in occupations:
  - A. That have not traditionally required specific occupational training as a requirement for employment (positions which would require a new person hired to possess very little, if any job specific skills);
  - B. In which the principal source of income is tips, commission, or piecework.
9. In most cases On-the-Job Training is not an appropriate work experience activity for youth participants under age 18.
10. All prospective employers MUST receive a Pre-Award Certification to insure at a minimum:
  - A. There Is sufficient work to provide long-term, regular employment;
  - B. Health and safety standards are being followed;
  - C. Workers' compensation benefits are provided;
  - D. The OJT participant will not displace currently employed workers;
  - E. No individual is on lay-off from the same or similar position;
  - F. The OJT position will receive the same wages and benefits as other employees in the same position with similar seniority; and
  - G. If the employer has relocated either in whole or in part and the relocation resulted in the loss of employment for any employee at the original location, that 120 days has elapsed since the commencement of full business operations.



11. The Pre-award Certification must be conducted prior to the OJT negotiations and verified with the employer's Signature. This review must be maintained in the employer's file.
12. The On-the-Job Training Master Agreement can be entered as an on-going understanding between the Service Provider and Employer. The On-the Job-Training Training Plan is an addendum to the Master Agreement and is negotiated specifically for the participating employee.
13. Prior to the onset of training, the OJT Training Plan negotiation process shall begin with the selection of the participant to be trained. All OJT Training plans must be negotiated and structured to meet the specific training needs of each participant. The Training Plan must be for skills the participating employee does not currently possess. The Training Plan must be completed and signed prior to the start of the OJT. Each OJT Training Plan shall specify the occupation(s) for which training is to be provided, the duration of the training, wage rates to be paid, the rate of reimbursement, and the maximum amount of reimbursement.
14. The Job Specific Training Outline within the OJT Training Plan will be developed with the employer using a job description of the duties to be performed by the participant. The Business Services Representative will then determine with the employer, the method of instruction for each job duty, the approximate number of hours it will take to learn the job duty, and the skill code required to show competency in the job duty. Length of training may be determined utilizing the O-NET database, which may be, accessed online at <http://online.onetcenter.org/>. OJT is not intended to necessarily last until the individual is 100% productive or proficient in the occupation.
15. Training Reimbursement Sliding Scale may be utilized for WIOA Adult, Dislocated Worker, and Older Youth based on Employer size: (1) up to 75 percent of the participant's wage rate for employers with fewer than 250 employees: or (2) up to 50 percent of the participant's wage rate for employers with more than 250 employees. The percentage of reimbursement may be determined based on available funds.

\*Effective 07-01-2016 - Older Youth may be included in the reimbursement sliding scale.

16. Any orientation or training (to include classroom training) that an employer customarily provides new employees cannot be included as OJT training hours.
17. OJT training reimbursement is restricted by a Wage Cap. The training reimbursement level is not to exceed 50/75% of the state's Average Hourly Wage Rate, currently at \$21.70. That is, the training reimbursement percentage is applied against the participant's wage rate unless the wage rate exceeds the state's average hourly rate. In that case, the training reimbursement percentage must be applied against the state's Average Hourly Rate. Service Providers may enter into contracts with employers who have elected to pay participants more than the state average wage; however, the employer cannot receive a training reimbursement beyond 50/75% of the capped level.

The OJT reimbursement may be based upon regular pay and scheduled increases, but not on overtime, shift differential or other premium pay.

18. Training hours will vary for each participating employee. For WIOA participants, hours will not be less than 32 hours per week. Training time reimbursement shall be for hours worked in the pay period. If the participant works over 40 hours, reimbursement shall be given above the 40 hours but only at the straight time rate. Other key elements of the OJT training Plan include:

18.1. Negotiated Special Provisions are special conditions of the OJT which could include, but are not limited to: any clothing, tools, supplies, or special training required; location of special training; adjustment for scheduled wage increases; exceptions for individuals with disabilities/older workers, etc.

18.2. The Final Proficiency Rating is to be completed for each Job duty by the Employer at the end of the OJT training period. The employer should indicate whether each job duty has been successfully acquired. The Final Proficiency evaluation must be reviewed with the participating employee and verified by Employer and Employee signatures. **(Completion Evaluation & Request for Payment)**. The employee must master 80% of tasks to be considered a successful completion.

19. All staff negotiating OJT training plans shall adhere to the following criteria:

19.1. In negotiation with the participating employee and employer, the Business Services Representative must explain that the condition of enrollment is to learn an occupation, not just to go to work to earn some money. If a job is all the participant wants and the participant is not willing to commit to training, or if the employer is not willing or does not possess the necessary facilities, equipment, materials, or supervision to provide adequate training, then OJT funds are not to be expended.

19.2. For WIOA participants, placements from OJT Adults, Dislocated Workers and youth shall be for no less than 32 hours per week and the placement wage shall be targeted at a minimum of \$12.00. The wage at placement will be defined in the OJT Training Plan. Individuals with disabilities with specific needs to work fewer hours and/or older workers will be approved on a case by case basis by GST Administration staff. In no case shall a contract be written for less or more than the starting wage for the specified job at that company.

19.3. Training plan length shall be determined by the participating employee's readiness, experience and potential, the employer's job description and knowledge of the position, O\*NET Codes, the IEP/ISS and the training to be provided for that position.

For WIOA, the period of reimbursement on training hours shall be based on available funding but will not exceed training over six months in length. Funding caps may be placed on employers who receive significant reimbursements within a program year to keep funding in line with budgets.

OJTs may be adjusted to reflect interruptions by events beyond the OJT trainee's or the employers control, such as holidays, illness, plant downtime, etc.

19.4. When the OJT period in each occupation varies from the average for that occupation, the basis for variation shall be recorded in the IEP/ISS Case notes.

19.5. Should special tools, books, supplies, or special training be required prior to employment, such items shall be identified in the OJT negotiation process. Items to be provided by the Service Provider will be obtained following GST's Michigan Works! supportive services policy.

19.6. A temporary employment/leasing Service Provider may serve as the employer of record for the purpose of providing OJT only when the participant is treated as all other Service Provider employees and NOT when such Service Provider provides probationary, seasonal, temporary, or intermittent employment. OJT participants may NOT be "contracted out" by the temporary leasing Service Provider.

- 19.7. No employer training payments are to be made until the participating employee has completed the OJT training. A service provider must negotiate a minimum of 50% of the training payment upon successful completion of the OJT and the remaining 50% upon a specified length of job retention of at least 30 days.
- 19.8. Payments will be documented on the On-the-Job Training Completion Evaluation & Request for Payment and the On-the-Job-Training 30 Day Retention & Request for Payment.
- 19.9 In cases where extenuating circumstances exist, permission may be granted by the GST Business Services Manager or designee for a completion payment when the participant is no longer available for signature, but has fulfilled their training hours and learned their tasks. This permission may also apply to waive the 30-day retention requirement if special circumstances apply.
20. No participant shall be placed on more than 2 unsuccessful OJT situations during a program year. The reason for providing the second OJT must be specifically documented (laid-off, fired, inappropriate job training match, company closes, etc.), and the situation be determined on an individual basis.
- In cases where two OJTs have been offered and were unsuccessful, it is presumed that OJT is not the appropriate training for the individual, unless written rationale is submitted to and approved by the MWA.
21. Classroom training may be provided by the employer as part of the OJT, with the employer being reimbursed for the actual costs incurred in providing the training. This would include participant wages for the time spent in the classroom training during working hours. Any classroom wage reimbursements shall be only for training over- and above that provided to regular employees and must be documented by the employer. Such cases must be negotiated as part of the OJT with all agencies) obtaining prior approval from GST Michigan Works! No OJT wage reimbursement can be paid for time spent in classroom training that is normally provided to regular employees (reference #16). A separate Classroom Training Plan must be developed to include:
- A. The classroom training curriculum including length;
  - B. The method of instruction including who will be providing the instruction;
  - C. The means of measurement including the minimum competency level(s) required; and
  - D. An employer reimbursement schedule including required supportive documentation i.e., time and attendance records with employer and participant signatures.
22. Written union concurrence is required when the training position is covered by a collective bargaining unit. Failure to secure the concurrence may void the OJT contract and prohibit further OJTs with that employer.
23. The negotiated OJT training plan shall be executed by the appropriate parties prior to the start date of training. To insure separation of function someone other than the person developing and/or negotiating the OJT Training Plan must sign as the approving authorized contractor representative. The signed original Master Agreement and the Training Plan shall be kept by GST Michigan Works! A signed copy of the Master Agreement and the OJT training Plan will be given to the employer. Upon request a copy of the training plan shall be provided to the participating employee.

The employer must receive an orientation, to include at a minimum the Master Agreement, the Training Plan, the general rules for administering the OJT program, procedures for requesting payment, and the evaluation process of the participating employee. The orientation will be documented verifying it was conducted with the employer, by signing the Master Agreement and the training plan.

The participating employee must also receive an orientation of the Training Plan, general rules of the OJT program and the evaluation process. This orientation will be documented by signing the training plan.

24. All employers will agree to follow GST Michigan Works! Grievance and Complaint procedures for participants. The complete Grievance and Complaint Policy and Procedures can be found on the agency's website; [gstmiworks.org](http://gstmiworks.org).
25. The Service Provider shall contact all participants and employers at least midway through the OJT and shall record observations in the participating employee's file concerning the progress of training and achievement of the training objectives defined in the OJT Training Plan. **(On Site Monitoring Review)**. Concerns and corrective action necessary to accomplish the objectives shall be recorded and appropriate action and follow-up shall be documented. The frequency of the contacts will be determined by the length of the OJT and the necessity for intervention.
26. All Service Providers shall conduct an internal monitoring of OJTs in accordance with internal monitoring procedures. **(Internal Monitoring Form)** At a minimum, the monitoring review will ensure that:
  - A. Employers are reimbursed for the correct 50/75% wage reimbursement according to the training plan.
  - B. Time and attendance records are compared to invoices;
  - C. Contracted wage records are compared to wages paid using payroll records;
  - D. Start dates of employment are compared to the OJT contract start dates;
  - E. Training is provided in accordance with the Training Plan;
  - F. Workers' Compensation is provided.
  - G. Union concurrence is obtained; and
  - H. Completion of the Final Evaluation and participant/employer contacts.
27. Billing for training payments shall be handled by the Service Provider's Fiscal Unit in accordance with this policy letter and the Service Provider's contract with GST Michigan Works! Any discovery of inconsistencies in attendance, pay, or failure to pay an employee properly shall be handled by the Service Provider's appropriate-staff in accordance with their established OJT policies and procedures.
28. Service Providers are prohibited from entering into a new contract with an employer who has exhibited a "pattern of failure. "A pattern of failure will be established after an employer has had five (5) failed OJT contracts. Service Providers are also prohibited from entering into OJT contracts with employers who are debarred or suspended from entering sub-contracting.



A "failed" OJT contract is one in which the employer has failed to provide a participant continued long-term employment as regular employees with wages and working conditions at the same level and to the same extent as similarly situated employees. The exceptions are voluntary resignation, terminated with cause, and economic conditions. Other factors to be included in the definition of a Failed Contract are terms of the OJT contract that the employer fails to provide, i.e., facilities, supervision, equipment/materials, wages, access to monitoring, etc. An employer abusing the program the first time must be counseled on the problem and instructed that future violations may result in the employer being deemed ineligible as an OJT provider.

29. At a minimum participant files must contain the following items associated with OJT:

- A. Original Training Plan with Completion Evaluation and Request for Payment signed;
- B. A copy of the ONET Printout and a job description from the employer if available.
- C. Time and attendance documentation (this would include payroll records and copies of invoices submitted for reimbursement);
- D. MIS documentation.

30. At a minimum OJT employer files must contain the following items associated with the OJT:

- A. An original signed Master Agreement;
- B. Documentation of the Pre-Award Certification.

31. Changes in the status of an OJT participating employee must be reported on the MIS and supported by appropriate documentation.

32. The OJT procedures may be modified and amended by the issuances of MWA policy letters. All Service Provider personnel working with OJT participants and employers shall abide by their negotiated contract with GST Michigan Works and MWA Policy letters (immediately upon receipt). The issuance of such policy letters shall carry the force of unilateral job duty requirements. Failure of Service Provider to comply or respond may result in corrective action in accordance with policies and procedures established by the MWA.

33. Service Providers must utilize the following On-The-Job-Training forms when developing their internal OJT policies and procedures. These forms may only be reformatted by the service provider to include Service Provider identifying information but must contain the Michigan Works branding.

- 1: On-the-Job Training Master Agreement
- 2: On-the-Job Training Plan
- 3: On-the-Job Training Pre-Award Certification
- 4: On-the-Job-Training Completion Evaluation & Request for Payment



- 5: Modification of On-the-Job-Training Agreement/Training Plan
- 6: On-the-Job-Training 30 Day Retention & Request for Payment
- 7: On-Site Monitoring Review
- 8: OJT Internal Monitoring

34. All modifications to the OJT Master Agreement and OJT Training Plan must receive prior approval from the service provider. Employers must request modifications prior to the end of the Training Plan period. Service Providers must utilize **(Modification of OJT Agreement)** to record modifications. This form must be attached as an addendum to the Training Plan.
35. Waivers for On-the-Job Training elements may be submitted to GST Administration when extenuating circumstances exist. GST Administration must give final approval on all waivers.


**ACTION:**

GST Michigan Works! Service Providers shall take the appropriate actions necessary to implement the directives of this policy issuance. Service Provider officials shall ensure the information contained in this policy is disseminated to all appropriate staff.

**INQUIRES:**

Questions regarding this policy issuance should be directed to Jessie Billiau at 989-635-3561 Ext 236 or JulAnn Kuenzli 989-635-3561 Ext 230.

**SIGNED:**

  
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Jody Kerbyson, CEO

1-1-2022  
Date

### **NATIONAL EMERGENCY GRANTS PROVISIONS**

**OJT National Emergency Grants will be administered per individual instructions regarding eligibility and program specifics. NEG OJT's would be aligned according to the parameters of the individual grant.**