



Orange County Workforce Development Board
On-the-Job Training (OJT) Policy


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Effective:
 January 28, 2026

SUBJECT:

Information Notice No. 26-OCWDB-03
 Supersedes Information Notice No. 24-OCWDB-08

APPROVED:

Nancy Cook, 
 Director of Workforce and Economic Development

PURPOSE

This policy provides guidance for the implementation and administration of On-the-Job Training (OJT) opportunities for eligible Adult, Dislocated Worker, Youth, and other participants funded through WIOA or specialized programs. This policy outlines requirements for participant and employer eligibility, contract development, training standards, reimbursement, and documentation.

EFFECTIVE DATE

This policy is effective on the date of issuance.

REFERENCES

- Workforce Innovation and Opportunity Act of 2014 (Public Law 113-128); Sections 129, 134, 181, and 188
- Title 20 Code of Federal Regulations (CFR) Parts 680.200-680.300, 680.700-680.720, 681.300-681.310, 683.200-683.260
- Fair Labor Standards Act of 1938, 52 Stat. 1060, 29 U.S.C.201 et seq.
- CA Education Code (EDC) 49100 – 49200
- CA Labor Code 1286 (c), 1294.1(b), 1299, 1391 – 1392
- Training and Employment Guidance Letter (TEGL) 12-09, Joint Guidance for States Seeking to Implement Subsidized Work-Based Training Programs for Unemployed Workers
- TEGL 21-16 Third Workforce Innovation and Opportunity Act (WIOA) Title I Youth Formula Program Guidance
- TEGL 23-14, WIOA Youth Program Transition
- Workforce Services Directive (WSD) 24-14, WIOA Waiver Guidance
- OCWDB Policies: Adult & Dislocated Worker Eligibility, WIOA Youth Program Eligibility, Transitional Jobs, Worksite Monitoring, Equal Opportunity and Nondiscrimination

BACKGROUND

On-the-Job Training (OJT) is a hire-first training model that allows employers to train participants in the specific knowledge and skills essential for successful job performance. Participants begin employment on the first day of training and receive wages and working conditions comparable to similarly situated employees. OJT is delivered through a formal contract between the employer and the OJT provider, which includes a structured training plan and a wage reimbursement to offset extraordinary training costs. Reimbursement is typically 50 percent of wages earned but may be increased to a maximum of 90 percent when allowable, justified, and a current Waiver of WIOA Section 134(c)(3)(H)(i) is in effect.

DEFINITIONS

Business Solutions (OCWDB Business Services Unit) – Orange County Workforce Development Board (OCWDB) program unit responsible for facilitating the OJT. Specific activities include but are not limited to employer vetting, worksite approval, compliance, monitoring, and coordination with Service Providers.

Employer – The approved business or organization providing on-the-job training.

In-Demand Industry/Occupation – An industry sector that has a substantial current, or potential impact, (including jobs that lead to economic self-sufficiency and opportunities for advancement) on the state,

regional, or local economy, and that contributes to the growth or stability of other supporting businesses, or the growth of other industry sectors.

Individual with Barriers to Employment – An individual meeting one or more criteria outlined under WIOA Sec. 3(24).

Individualized Employment Plan (IEP)/Individual Service Plan (ISP) – An individualized career service that is developed jointly by the participant and case manager. 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.

Occupational Information Network (O*NET) – An online database of standardized and occupation-specific descriptors for occupations in the U.S. economy.

Position – The specific approved occupation/job offered to a program participant which must meet OCWDB criteria and align with on-the-job learning objectives.

Registered Apprenticeship Program – A program meeting Federal and State standards of job preparation that combines paid on-the-job training and related instruction to progressively increase workers' skill levels and wages.

Service Provider – The contracted entity responsible for participant eligibility determination, case management, referrals, monitoring, and recordkeeping.

Specific Vocational Preparation (SVP) – The amount of time required by a typical worker to learn techniques, acquire the information, and develop the facility needed for average performance in a specific job-worker situation.

Trade Adjustment Assistance (TAA) – A federal program established under the Trade Adjustment Assistance Reauthorization Act of 2015 provides aid to workers who lose their jobs or whose hours of work and wages are reduced as a result of increased imports.

On July 1, 2022, the termination provision under Section 285(a) of the Trade Act of 1974, as amended, took effect. Until further notice, the DOL may not issue any new determinations and may not review any requests for reconsideration. Workers who were certified by a previously certified petition and separated or threatened with separation from their job on or before June 30, 2022, may still be eligible for individual benefits and services and should contact their nearest America's Job Center of California to speak to a TAA specialist.

OJT Contract – A formal contract executed among the employer, the Service Provider, OCWDB (or designee), Employer of Record, and the Participant outlining responsibilities, schedule, job duties, safety requirements, wages (if applicable), and terms.

POLICY

Before training begins an OJT orientation must be completed, and a written OJT contract and OJT Training Plan must be executed. The contract must outline employer and participant responsibilities, training duration, skills to be acquired, and reimbursement structure. OJT may be sequenced with other services, including classroom training or work experience.

Participant Eligibility

Participants must:

- Be currently enrolled in the applicable WIOA program (e.g. WIOA Youth Program). Please see OCWDB Youth Program Participant Eligibility and OCWDB Adult and Dislocated Worker Program Eligibility Policies for program enrollment requirements.

- Not be an immediate family of the worksite employer.
- Must be determined suitable by the Service Provider.
- Youth under 18 must comply with work permit requirements.

Employer Eligibility

OJT may be provided to private-sector, non-profit, and public-sector employers that:

- Have adequate staff, equipment, and financial capacity to train and retain the participant for at least one year after OJT completion.
- Have been operational and producing revenue for a minimum of twelve months within the OCWDB area of operation.
- Have not relocated within the prior 120 days resulting in layoffs, unless an approved waiver exists.
- Comply with all applicable federal, state, and local laws. Including UI and Workers' Compensation requirements.
- Are not debarred from federal funding.
- Do not displace current employees, infringe on promotional opportunities, or employ participants in hazardous or discriminatory conditions.
- Are not involved in labor disputes, recent layoffs without mitigating circumstances, or outstanding unresolved tax liabilities or penalties.
- Are not in an industry that is prohibited under federal law (e.g. cannabis business).
- Have not previously failed to retain OJT participants.
- OJT positions may not exceed 25% of the employer's full-time employee count. Businesses with fewer than four employees may be eligible for one OJT.
- Adhere to workforce caps: No more than 25% of an employer's workforce can be subsidized by WIOA when there are more than four regular employees. Businesses with fewer than four employees may be eligible for one WIOA trainee across all work-based training programs.
- Adhere to annual workforce cap: No Employer may exceed 15 OJT participant placements per calendar year.
- Priority of service will be given to veteran owned businesses and businesses that are in the priority industries for the local workforce area as defined in the Comprehensive Economic Development Strategy (CEDS) report.

Meeting minimum requirements does not guarantee employer as an OJT site. Sites will be approved based on strength of application, program need and the availability of funding.

Occupation/Position Eligibility

OJT positions must:

- Be a full-time, permanent position. OJT is not eligible for part-time, seasonal, or temporary roles. Full-time is defined as 40 hours per week, per the California Department of Industrial Relations.
- Pay at least the current minimum wage plus 15% (e.g. \$17/hr + \$2.55/hr = \$19.55/hr) or the current local prevailing wages, if applicable.
- Provide wages and benefits equivalent to others in the same job classification.
- Maintain OSHA-compliant workplace conditions.
- Not displace current employees or conflict with collective-bargaining agreements.
- Not fill positions that have been involved with layoffs within the last two years.
- Be safe and non-hazardous in compliance with child labor laws.
- Not require the construction, operation, or maintenance of any part of any facility that is used or to be used for sectarian instruction or as a place for religious worship.
- Not be used to fill jobs funded by other federally funded programs.

Employer Reimbursement Rates

The standard reimbursement rate is 50 percent of the participants' regular wages. OCWDB may authorize higher reimbursement based on participant need, employer size, training quality, and funding availability, up to the following maximums:

- 50% – Standard rate
- Up to 75% – Small businesses (≤50 employees)
- Up to 90% – Small businesses (≤50 employees) meeting WSD 24-14 criteria

Reimbursement applies only to regular hours worked and excludes overtime, holiday pay rates, sick leave, vacation, and other non-regular wages.

Reimbursement above 50 percent requires written pre-approval from the OCWDB Director. All justification and approvals must be documented and retained.

OJTs have a maximum reimbursement of \$20,000 per participant lifetime. If the training duration and reimbursement rate exceed this amount, reimbursement will be capped at the allowable limit. The OCWDB Director may approve reimbursement above the maximum only when the OJT Provider demonstrates extraordinary need.

Registered Apprenticeship Programs

OJT contracts may be used in partnership with registered apprenticeship programs and/or participating employers. Apprenticeship OJTs should refer to the apprenticeship policy for specific requirements. Where no specific requirements exist, this OJT policy will apply.

TAA Coordination

If a participant qualifies for Trade Adjustment Assistance (TAA) training funds, TAA must be used before WIOA funds. WIOA may cover costs above TAA-funded limits.

Length of Training

An OJT is not intended for long-term continued training within the occupation and should be limited to the minimum time necessary to perform the job at a level comparable to an employee who would be hired without the need for OJT. OCWDB limits the training duration to no less than one month, 160 hours and no more than one year, 2,080 hours.

SVP	Time	OJT Maximum Training Hours	Occupation Skill Level
1	Short term	Not applicable	Unskilled
2	≤ 1 month	160 hours	Unskilled
3	1-3 months	520 hours	Semi-skilled
4	3-6 months	1,040 hours	Semi-skilled
5	6-12 months	2,080 hours	Skilled
6	1-2 years	2,080 hours	Skilled
7	2-4 years	2,080 hours	Skilled
8	4-10 years	2,080 hours	Highly Skilled
9	10+ years	2,080 hours	Highly Skilled

The Specific Vocational Preparation (SVP) level and corresponding training hours are the maximum values and time allowable under the OCWDB OJT program. Business Solutions will set final training hours based on the participant's academic/occupational level, prior work experience, IEP/ISP, and budget availability, in consultation with the employer, participant, and OJT provider.

SVP training includes training given in any of the following circumstances and these should be considered when determining the OJT training length.

1. Vocational education: high school, commercial or shop training, technical school, art school, and college training organized around a specific vocational objective
2. Apprenticeship training: for apprentice jobs only
3. In-plant training: organized classroom study provided by an employer

4. On-the-job training: serving as learner or trainee on the job under the instruction of a qualified worker
5. Essential experience on other jobs: serving in less responsible jobs or serving in other jobs which qualify

SVP levels are used to provide guidance on the appropriate training length. Occupation SVP codes can be found at www.onetonline.org. SVP may be acquired in a school, work, military, institutional, or vocational environment. It does not include the orientation time required to be a fully qualified worker to become accustomed to the special conditions of any new job.

Participant Referrals and Placement Process

On-the-Job Training is available for all WIOA participants who meet OJT eligibility criteria. When the Service Provider has identified an eligible and suitable candidate, they must submit a Candidate Enrollment Referral form along with the candidate's resume to OCWDB Business Solutions.

OCWDB Business Solutions will review all referrals and if deemed appropriate, will submit the candidate's resume to the employer and schedule an interview. If the employer decides to hire the candidate, Business Solutions will work to determine the length of training, start date, the reimbursement rate, and develop a contract.

Contract and Training Plan

Every OJT must include a contract with the employer and a corresponding OJT Training Plan for the participant. The Contract must outline the contact information for the OJT Provider, Employer, and Participant, the terms of the OJT, and the Job Description. The terms of the OJT must include, but are not limited to:

1. Funding Source
2. Contract Number (Provided by County)
3. Job Title
4. O*NET SOC #
5. O*NET Job Zone
6. Hourly Wage/Salary
7. Reimbursement Rate
8. Maximum Reimbursement
9. Start Date
10. Total Training Hours

Before the OJT Contract is finalized, the Training Plan must be created, see Assessments for more details.

Assessments

During OJT, three assessments are required:

- **Initial Assessment** (To be completed at the end of week 1): Establishes baseline capabilities.
- **Monthly Progress Reports**: Tracks skill development, identifies opportunities, and needs. It is shared with the Service Provider for additional support.
- **Final Assessment** (To be completed within one week of the last day): Documents participant's ending capabilities. Must accompany the final invoice.

If performance or behavior issues arise, a Performance Improvement Plan (PIP) may be initiated after formal discussion and documentation with the participant. The PIP outlines deficiencies, expectations, responsibilities, and a reevaluation of the timeline. It must be signed by all parties.

Time Records

The employer must have its own payroll system and maintain records of employment and time. Documentation must be retained for seven years.

Modifications

Situations may arise where adjustments to the original OJT training plan are necessary due to participant needs or changes in work conditions. Possible modifications include:

1. Extending the training duration, provided it does not exceed the maximum allowable hours.
2. Adjusting weekly hours or total training time to accommodate a participant's learning needs or disability, if mandated maximum number of hours are not exceeded.
3. Extending the agreed upon length of OJT duration for participants whose performance is satisfactory, have completed substantial training and will be retained by an employer at the end of the training period, but have not learned all the required OJT related skills.

Contract modifications must be outlined on OJT Training Plan Modification form. All modifications must be approved by OCWDB Director, and the Modification form must be signed and dated by all parties prior to the effective date. Verbal modifications are not valid.

Invoicing

WIOA funds reimburse only regular wages, not holiday, sick, vacation, overtime, or premium pay. Employers must compensate overtime according to state and federal laws. Invoice and back up documentation must be submitted to Business Solutions within 30 days of completion of training hours. Required documentation includes daily hours, pay rate, maximum reimbursement, paystubs, and timecards. Salaried participants must still track hours. If no standard hourly system exists, a time-tracking procedure must be established before OJT approval. Payment will be made to employer after documentation is reviewed and approved; late submissions may cause delays.

Termination

OJT may be terminated by the Participant, Employer, or OJT Provider. Ten (10) days' written notice is required, except for offenses that require immediate termination, including fraud, substance use on site, property misuse, inappropriate internet access, fighting/abusive language, and theft. In such cases, immediate notification and a signed separation letter with the participant's final paycheck is required per CA Labor Laws.

The Business Solutions may terminate the contract or withhold reimbursement if the employer fails to provide training, violates contract terms or labor laws, creates a hostile environment, falsifies information, misses deadlines, terminates a participant before week five (outside immediate offenses), or if funding is reduced. Employers who consistently terminate OJT participants within six months may be liable for training costs.

Participants terminated through no fault of their own may be eligible for additional OJTs, generally not exceeding a \$20,000 lifetime reimbursement, unless approved by the OCWDB Director.

Exceptions

Any exceptions to this policy require written approval from the OCWDB Director.

Participant Case File

All documentation relating to the selection of a candidate for an OJT opportunity, Contract, Training Plan, Progress Reports, and modifications to the Contract or Training Plan must be included in the participant's case file and entered in CalJOBS.

Activity code entered in CalJOBS must be as follows:

- Adult and Dislocated Worker: Activity code 301 (On-the Job Training)
- Youth: Activity code 428 (Youth On-the-Job Training)

Participant files must be available to federal, state, and local monitors for compliance review.

Employer Files

Business Solutions is required to maintain a file for each OJT Employer, including the OJT Eligibility and Business Information verifying employer eligibility. Employer files must be available to federal, state, and local monitors for compliance review.

Monitoring

Monitoring at the local, state, and federal levels includes oversight of the participant training and employer payroll records. Business Solutions must conduct initial monitoring shortly after the participant begins work, with monthly reviews and a final review at the end of the Training Plan. Service Providers must check in with the participants at least once a month, documenting all meetings in CalJOBS.

Effective monitoring also includes reviewing employer correspondence, reimbursement invoices, and supporting documentation. Service Provider staff must track participant progress toward program objectives, skill acquisition, and adequacy of supportive services, addressing and documenting any deviations from the OJT Contract promptly.

ACTION

Bring this policy to the attention of all relevant staff, subrecipients, and partners to ensure full understanding and compliance with federal and state audit resolution requirements.

INQUIRIES

If you have any questions regarding this policy, please email info@ocworkforcesolutions.com.

ATTACHMENTS

Attachment I: Trade Adjustment Assistance Funding Transition

Attachment II: OJT Employer Information

Attachment III: OJT Contract Checklist

Attachment IV: OJT Sample Contract

Attachment V: OJT Training Plan

Attachment VI: OJT Training Plan Modification

Attachment VII: OJT Exception Request

Attachment VIII: OJT Sample Employer Invoice Form

Attachment IX: OJT Progress Report

Attachment X: OJT Candidate Enrollment Referral