Workforce Solutions for Employers: On-the-Job Training

Region One – Tri-Parish Area
Plaquemines, St. Bernard, & St. Tammany
On-the-Job Training

- What is On-the-Job Training (OJT)
- Purpose and Goal of OJT
- Financial Benefit
- Eligible Employer
- Eligible Trainee
- Process
- Examples
What is On-the-Job Training

- **Training** that takes place while employees are actually working. It means that skills can be gained while trainees are carrying out their **jobs**

Local Workforce system can reimburse a portion of an eligible trainee’s wages while they receive the skills they need to be successful in the job
Purpose & Goal of On-the-Job Training Program

Most New Hire’s do not have 100% of the skills to be 100% productive on day one

- **Purpose** is to reimburse the cost associated with training a person that does not possess all of the skills needed to do the job on Day One
  - Productivity lost during learning curve
  - Time pulled from supervisors and peers to get a new hire up to speed

- **Goal**: to ensure the employer has a fully trained employee and the employee has gained skills necessary to be successful in a full-time, long-term position
Financial Benefit

Reimbursement to employer of up to 50% of the wages for any OJT New Hire

- Averages approximately $3,000 to $6,000 per trainee
  *(Average can vary by local area)*
- Up to 6 months – based on actual training needs
- Amount allocated based on funding availability
Eligible Employer

- Have a **Federal Tax ID**
- Pay into the **Unemployment Insurance** system (UI #)
- Have at least **2 FT employees**
- Carry **Worker’s Comp** Insurance
- Able to receive federal funding (lower tier)
- Intention for OJT participant:
  - Full-time, permanent employment
  - Does not displace another full-time employee
- **Minimum wage of $12/hr** for the position
  *(Minimum may vary by local area)*
Eligible Trainee

- Can be referred to position by employer, employer’s designated recruiter or the Workforce Center
- Meets eligibility criteria of an available funding stream
  - WIA Dislocated Worker (laid off, recently separated veteran, etc.)
  - WIA Adult (typically low income or unemployed)
    
    *The Local Center will handle eligibility determination*

- Does not have all of the training and/or experience required for the position
- Eligible to work in US
Process

- Meet with employer to collect basic information
- Complete OJT agreement with employer
- Develop training plan and determine max hours of training required for position(s)
- Post open positions / Coordinate referrals
- Identify and determine eligibility of participants prior to hire date
- Adjust training plan to fit the participant based on their prior training and/or experience
- Set reimbursement rate and amount
- Invoice and progress reports monthly
Example 1: Entry-Level

Boudreaux's Energy Services is seeking to hire Inside Sales Person in the next year. How much can they receive?

- 50% reimbursement
- Sales person (a high-demand occupation) is authorized up to 1,040 reimbursable OJT hours
- Wage for the employee is $16
- Reimbursement rate is 50% of $16 = $8/hour
- Max reimbursement is $8,320
- But will hit cap of $6,000 (can vary)
- Paid out over 19 weeks before hitting cap
Example 2: Experienced Worker

Krewe Builders wants to hire a Carpenter with 14 months prior experience

- Max OJT reimbursable hours is 800 for carpentry
- Adjustment made for each month of “experience at the same job with different employer”
  - Subtract 40 hours for each month of prior experience
  - 14 months x 40 hrs = 560 hours reduction
  - Max reimbursable hours = 240 hours

- Wage for the employee is $17/hr
  - 50% Rate of Reimbursement ($8.50/hour)
  - $2,040 total reimbursement
  - Paid out to the employer in 6 weeks
Ideal for OJT

- Nearly any position within a company
  - Entry-level to mid-level
  - Union or Non-union
  - Any High-demand positions, including
    • Craft trades
    • Administrative
    • Sales
    • Healthcare
    • Semi-professional

- Requires minimum starting wage of $12 for position
  *(minimum can vary by local area)*
Customized

- One size does not fit all
- We work with the employer to meet their needs
  - Simplified process
  - We adjust to the employer’s recruitment/hiring process
- Eliminate un-necessary paperwork
  - Online pre-screening available
  - On-site eligibility if needed
- We do what makes sense for the employer/employee
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www.TriParishWorks.net

St Tammany Business and Career Solutions Center
Questions:
Contact Wendy Celey
wceley@lwc.la.gov

Tuesday
October 16, 2018
2:00 pm to 6:00 pm
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6350 Pelican Drive
Mandeville, LA 70448

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