

**SOUTHWESTERN AREA  
WORKFORCE DEVELOPMENT BOARD**

**On-the-Job Training  
Policy 17-03.5**

**Effective Date**

August 14, 2025

**Applicability**

This applies to the Southwestern Area Workforce Development Board's (SAWDB) Adult, Dislocated Worker, and Youth service providers providing On-the-Job training. OJT is an allowable activity for youth, but should be discouraged when it conflicts with educational goals and achievements.

**Purpose**

This rule establishes requirements for the SAWDB in delivering On-the-Job training services under the Workforce Innovation & Opportunity Act (WIOA). Priority of service for Adult funds must be given as defined in TEGL 3-15.

**Background**

On-the-job training (OJT) provides WIOA participants with the opportunity to receive training while employed and to be paid wages and benefits comparable to those of other similar positions. OJT also allows employers to be reimbursed for a percentage of the wages paid to WIOA participants who are engaged in productive work.

**Action**

OJT services shall be provided by an employer or a registered apprenticeship program sponsor in the public, private non-profit or private for-profit sector with payment for WIOA participant(s) engaged in productive work that:

- A. An official employer orientation shall be provided and documented before the OJT contract period begins, including review of OJT contract, training plan, progress report/invoice forms, and contact information;
- B. Provides knowledge or skills essential to full and adequate performance of the job;
- C. Provides reimbursement to the employer of up to 75% of the participant's wage rate (excluding benefits) for the extraordinary costs of providing training; for employers with 50 or fewer employees and up to 50% for employers with fifty-one (51) or more employees as defined in CFR 680.730
- D. Is limited in duration as appropriate to the occupation and considering the individual's prior work experience and employment development plan; must also be no less than 160 hours; and
- E. Prepares the participant for long-term, unsubsidized employment;
- F. Any individual referred to a center by an employer (commonly referred to as a "reverse referral") shall go through the system in the same manner as other job seekers and be determined to be eligible and in need of training in order to participate in OJT.

## Participant Eligibility

OJT Training, as defined by the WIOA, who are unemployed or underemployed and additionally meet ALL the following:

- A. All eligibility requirements for WIOA and Training services
- B. Enrollment into WIOA prior to beginning the OJT contract
- C. Determined to need training to meet a self-sufficient level of income
- D. Determined to be a good candidate for the position described in the Individual Employment Plan

WIOA mandates that training services for OJT training be provided with a contract.

- A. Each OJT contract shall be designed for a particular participant and employer. Procurement of OJT contracts is conducted through non-competitive negotiations. Documentation detailing how the price was derived must be developed and maintained in contract.
- B. Contracts shall not be written for seasonal, intermittent, or other types of temporary employment and must not involve payment in the form of a commission, tip, or similar kinds of payments. Occupations that have not traditionally required specific occupational training as a prerequisite for performance, such as porters, janitors, stackers, laborers, etc. Generally, contracts should be written for full-time employment; the standard for what constitutes "full-time" employment may vary depending on the occupation, industry, or needs of the participant.
- C. OJT contracts may be issued within the local area in any occupation where an employer provides employment and training in a permanent, full-time position with a reasonable expectation of retention in unsubsidized employment upon successful completion of training.
- D. Service providers must have adequate internal controls, such as a participant roster with their estimated earnings or another system, to determine whether an OJT contract can be issued for less than their "Median Earnings" performance measure. This ensures that the overall negotiated performance measure for "Median Earnings" is being met.
- E. The local workforce development board shall make efforts to ensure that the occupations and positions are those which afford adults and dislocated workers the opportunity to become self-sufficient, as defined in the local four-year plan.

The service provider shall ensure that OJT contracts are not written with employers who have had two or more previous OJTs and exhibited a pattern of failing to provide participants with continued, long-term (9 months or longer) employment as regular employees with wages and working conditions the same as other employees. The service provider must consider whether the OJT participant quit voluntarily, was fired for cause or if business conditions changed the employment opportunities with the employer. Employers may be sanctioned and determined ineligible for no less than 6 months, but not longer than 18 months. Employers may appeal the service provider decisions following WIOA Program Complaint Resolution Procedures.

The service provider must ensure that OJT contracts are not written with employers which have relocated within the last 120 days and dislocated workers at their previous location.

The service provider shall ensure that OJT contracts are not written with employers in which the participants will be employed to carry out the construction, operation, or maintenance of any part of a facility that is used or to be used for sectarian instruction or as a place for religious worship.

OJT contracts may also be written for eligible employed workers. An eligible employed worker is an individual who is job-attached but needs skills upgrades and is not earning a self-sufficient wage as determined by the SAWDB. Contracts must relate to the introduction of new technologies, new production or service procedures, upgrading to new jobs that require additional skills, and workplace literacy.

If a participant receives an upgrade, the AE and/or the Service Providers must provide proof that an upgrade to position and wages has occurred. This may entail receiving documents from the OJT provider and the participant. This documentation must be uploaded to NMJobs in the participant's file.

### **Training Orientation**

An official participant orientation shall be provided and documented before the OJT contract begins.

At a minimum, the orientation should include the following:

- A. OJT training plan review;
- B. Participation requirements;
- C. Time sheet tracking and payroll verification requirements including OJT progress report and invoice form;
- D. Information regarding additional services and activities, including supportive services available through the workforce system, to ensure successful participation.

Specific Vocational Preparation (SVP) is available either through the O\*Net or the NMJobs website <https://www.state.nm.us>. OJT participants allowed with an employer: No more than 50% of the number of the employer's full-time workforce at the location where training is to take place may be trained under OJT at any one time. An employer with a regular full-time workforce may train one individual under OJT

### **OJT Training Contract**

The SAWDB shall ensure that OJT contracts include, at a minimum, the following contract elements:

- A. Job description (using O-Net [<http://onetonline.org>] or other source), training online or curriculum, including provision for any required classroom/adult basic education/or vocational training as established by the needs assessment.
- B. Participant's hourly wage rate and allowable training hours (work zones as noted on O-Net).
- C. Provision for wage increases based upon successful achievement of training goals as provided to other similar employees, if applicable.
- D. Provision for assurances not to reduce wage rates after completion of the training contract.
- E. Agreement on the maximum reimbursement amount and/or allowable training costs.
- F. Provisions for participant time off, if necessary, to attend WIOA-sponsored meetings, workshops, classes, or other events.
- G. Duration of contract.
- H. A provision for recoupment of overpayments.
- I. A provision for termination due to lack of funds, lack of participant attendance, or unsatisfactory progress.
- J. A provision for termination due to failure of the employer to comply with initial or upgraded employment requirements (OJT for employed workers only).

- K. A provision for allowing SAWDB, their designee, and state and federal staff to monitor and review training records.
- L. A provision for meeting record retention requirements.
- M. identification and reporting of new employees versus employed workers (OJT for employed workers only).
- N. The employer must maintain attendance and payroll records to support requests for reimbursement.
- O. Provision for the submittal of participant reimbursement/progress evaluations on a timely basis.
- P. State and federal taxpayer identification numbers for payment of state gross receipt tax and unemployment compensation tax.
- Q. worker's compensation coverage; (not required for exempt employers)
- R. A provision for equal employment opportunity.
- S. A provision for a drug-free workplace.
- T. A provision for debarment and suspension, where applicable.
- U. A requirement that the service providers report program outcomes.
- V. A requirement for job retention beyond the training period; and
- W. Other provisions as required by local policies and procedures.
- X. Signatures and dates must be on OJT contracts before the participant begins training.
- Y. The reimbursement for training costs will be based on the employer's normal full week, at 30 hours per week. A reimbursement claim cannot be for when the trainee is absent from training, including illness, holiday, plant downtime, or any other time when no training occurs.

Note: New employees hired under OJT must, at a minimum, be paid the employer's usual entrance wage rate for the occupation in which they are to be trained and employed, which must not be lower than the federal, state, or local minimum wage rate.

Service Providers will use the following forms on employnm.com and upload them to the participant's file in NMJobs.

- A. OJT Pre-Award Survey Checklist
- B. OJT Employer Contract
- C. OJT Training Plan
- D. OJT Training Plan Modification
- E. OJT Progress Report and Invoice Forms
- F. OJT Contract Assurances

### **OJT Training Duration**

The Maximum duration of an OJT contract is 1040 training hours. Determining the length of training should include the following:

- A. Skill gap is the gap between the skills of a participant and the skills needed for the job.
- B. The skill gap will determine the number of training hours for which an employer will be reimbursed.
- C. The training plan shall be consistent with the duration of the contract.
- D. Specific Vocational Preparation (SVP) is defined as the amount of time required to learn techniques for a specific job.

Keep in consideration with the OJT provider/employer when coming up with the training plan, they are utilizing skills that would be considered "Skilled" within the number of hours defined as the required time to learn techniques for specific jobs.

Exception: Training can exceed 1040 hours based on the need for individuals with a documented disability to obtain the skills necessary for the job.

SVP	Number of Training hours
2	160
3	320
4	640
5	800
6	960
7	1040

In determining an employer's viability for a contract, the employer's history with OJT must be considered. The SAWDB may also consider the employer's finances, layoffs, relocation, labor disputes, and occupational and industry outlook.

SAWDB Administrative Entity and/or Service Providers shall make provisions for the maintenance and retention of all on-the-job training records, including systems of issuance, funding obligations/expenditures, oversight, and completion in accordance with WIOA record retention requirements. Such records shall be retained for a period of three (3) program years from the date the individual participant exits, unless an unresolved audit is pending. In that case, records must be retained until the final resolution of the audit.

SAWDB Administrative Entity and/or Service Providers shall establish and collect relevant performance criteria/program outcomes for each service provider.

The SAWDB Administrative Entity and/or the Service Providers shall ensure that career services are made available to individuals in One-Stop Centers.

SAWDB Administrative Entity and/or the Service Providers shall ensure that selected training providers are afforded appropriate training and technical assistance necessary to deliver the required WIOA services.

SAWDB Administrative Entity and/or the Service Providers shall review each OJT contract on-site to determine that payroll and time and attendance records substantiate amounts claimed for reimbursement and that training, wages, hours, benefits, and working conditions are provided per the contract.

**Inquiries**

Questions related to this policy should be directed to the Administrative Entity at (575) 744-4857.

**Attested**

This policy was reviewed and approved by the SAWDB on August 14, 2025.

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SAWDB Chair