

Technical Assistance Guidance

TAG 47-2021

Issued Date: January 4, 2021

Subject: Waiver for 90 Percent Reimbursement for On-the-Job Training

Purpose

This TAG provides guidance regarding criteria where the reimbursement rate for on-the-job training (OJT) contracts may be increased to 90 percent.

References

Public Law P.L. 113-128; Secs. 3, 122, 134, 181, 189, 194, 503; 20 CFR Part 678; 20 CFR Part 680; 20 CFR Part 683; 29 CFR Part 38; 2 CFR Part 200; TEGL 13-15; TEGL 19-16; State Compliance Policies 1.14 and 3.6; and WC Policy GEN-050-10

Background

On November 13, 2020, the Department of Employment, Training and Rehabilitation received approval of a waiver from the U.S. Department of Labor's Employment and Training Administration. This waiver granted approval to increase reimbursement for on-the-job training to 90 percent to businesses with 50 or fewer employees. WC believes OJT is an effective tool for training and serves a dual purpose of aligning strongly with business needs below:

- The needs of businesses are better addressed before they fail, preventing further job losses.
- Layoffs in small businesses will drive the need for retraining.
- Many job functions will change requiring training.
- Current requirement is a burden on service providers because rural communities have fewer businesses, and the businesses tend to be smaller in size.
- Reduced availability of training due to COVID-19 creates a need for more training opportunities.

Guidance

WIOA Title I service providers may reimburse up to 90 percent for OJTs to businesses with 50 or fewer employees. This waiver will expire on June 30, 2021.

This guidance does not supersede the criteria provided in TAG44-2020, Criteria for 75 Percent Reimbursement for On-the-Job Training.

Technical Assistance

Available upon request.