

Technical Assistance Guidance

TAG 55-2022

Issued Date: August 24, 2022

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 for businesses with 50 or fewer employees.

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 19-16; State Compliance Policies 1.14 and 3.6; and WC Policy GEN-050-10

Background

On June 7, 2022, Department of Employment, Training and Rehabilitation received approval of a waiver from the U.S. Department of Labor's Employment and Training Administration regarding criteria for 90 percent reimbursement on OJTs. 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.

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, 2024.

This guidance does not supersede the criteria provided in TAG 44-2020, Criteria for 75 Percent Reimbursement for On-the-Job Training. WC expects the utilization of OJTs to increase in the Southern Nevada Workforce Development Area as a result of this waiver.

Technical Assistance

Available upon request.