



January 27, 2016

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To: Program Managers, SETA-Funded WIOA Service Providers, Site Supervisors, Sacramento Works America’s Job Centers (SWJs)

From: Kathy Kossick, Executive Director

Re: Increase of Employer Wage Reimbursement Rates for On-the-Job Training (OJT) - WIOA Directive #WDD16-1

Purpose

This directive provides policy guidance pertaining to increasing employer reimbursements for On-the-Job Training (OJT) under the Workforce Innovation and Opportunity Act (WIOA), Title I, Adult and Dislocated Worker programs approved by Sacramento Works, Inc., Sacramento’s Local Workforce Development Board (LWDB).

This guidance is established under the WIOA and the WIOA Notice of Proposed Rule Making (NPRM) and may be subject to change upon the issuance of final regulations/policy from the U.S. Department of Labor (DOL) or the State of California, Employment Development Department (EDD).

Effective Date

This directive is applicable to all OJT agreements entered into with WIOA funds.

REFERENCES

- WIOA (Public Law 113-128) Sections 134(c)(3)(H)
- Title 20 *Code of Federal Regulations* (CFR) “WIOA, Notice of Proposed Rule Making” (NPRM), Sections 680.720 and 680.730
- State of California, Employment Development Department (EDD), Workforce Services Directive WSD15-09, *Impact of WIOA Implementation on Waivers Approved under WIA* (November 20, 2015)

BACKGROUND

Prior to the implementation of WIOA on July 1, 2015, the Department of Labor (DOL) granted California 10 waivers under WIA. The following two waivers were included in the list of 10:

WIA Section 101(8)(C) – Allowed for an increase above the allowable 50 percent in the employer reimbursement for OJT through a sliding scale based on the size of the business.

WIA Section 101(31)(B) – Allowed for an increase above the allowable 50 percent in the employer reimbursement for OJT for long-term unemployed, veterans, and individuals with disabilities.

The WIA waivers expired on June 30, 2015. However, with the implementation of WIOA, under WIOA Section 134(c)(3)(H) and Sections 680.720 and 680.730 of the WIOA NPRM, a local board may adopt a policy to raise the wage reimbursement levels up to 75 percent based on factors such as the characteristics of the participants, the size of the employer, and other factors that the local board determines to be appropriate.

FACTORS

Employer Size

This policy permits an increase in employer reimbursements for OJT through a sliding scale based on the size of the business. Under this policy, the following sliding scale is permitted:

- Up to 75 percent of the participant's wage rate for employers with 100 or fewer employees.
- Up to 50 percent of the participant's wage rate for employers with more than 100 employees.

Participant Characteristics

This policy permits an increase in employer reimbursements through a sliding scale based on the length of the participant's unemployment, or whether or not the participant is a veteran, an individual with a disability, an individual on public assistance, low-income, homeless, or ex-offender. Under this policy, the following reimbursement percentages are permitted:

- Up to 75 percent of the participant's wage where OJT is provided to an individual unemployed for 26 weeks or more.
- Up to 75 percent of the participant's wage where OJT is provided to a veteran, an individual with a disability, an individual on public assistance, low-income, homeless, or ex-offender.

The statutory reimbursement requirement of up to 50 percent reimbursement rate for employers will continue to apply in all other instances.

DEFINITIONS

For purposes of this policy, the following definitions apply:

1. *Low-Income* - An individual that meets one of the five criteria below:
 - Receives, or in the past six months has received, or is a member of a family that is receiving or in the past six months has received, assistance through the supplemental nutrition assistance program, temporary assistance for needy families program, supplemental security income program, or state or local income-based public assistance.
 - Has received with the past school year, a Board of Governor's (BOG) community college fee waiver.
 - In a family with total family income that does not exceed the higher of the following:
 - the poverty line
 - 70 percent of the Lower Living Standard Income Level

2. *Public Assistance Recipient* - An individual that receives federal, state, or local government cash payments for which eligibility is determined by a needs or income test.

For questions about this policy directive, please contact Terri Carpenter at Terri.Carpenter@seta.net or Michelle O'Camb at Michelle.Ocamb@seta.net.