




Public Policy Amendment Reimbursement On-the-Job Training (OJT)

I. INTRODUCTION

The Workforce Innovation and Opportunity Act (WIOA) is designed to help job seekers access employment activities and / or services, education, training, and support services to be successful in the labor market and match employers with the skilled workers they need to compete in the global economy.

The On-the-Job Training Activity (OJT) is intended to provide participants with on-the-job On February 12, 2021, the Secretary of the United States Department of Labor approved a waiver, at the request of the Workforce Development Program, to increase the reimbursement to employers participating in the On-the-Job Training (OJT) activity to **90%**. On February 17, 2021, the Workforce Development Program sent the authorization to implement the waiver, as approved.

II. LEGAL BASIS

Workforce Innovation and Opportunity Act (WIOA), Sections 3(44) and 134 (c)(3)(H)(i)

Federal Register Vol. 81 No. 161, Sections 680.700, 680.710, 680.720, and 680.730.

Training and Employment Guidance Letter (TEGL) WIOA NO. 19-16 issued by the Employment and Training Program attached to the United States Department of Labor on March 1, 2017.

Communication issued by the Workforce Development Program dated February 17, 2021, notifying Authorization for Waiver Implementation.

III. ON-THE-JOB TRAINING DEFINITION

The term "on-the-job training," or OJT, refers to training provided by an employer to a participant who receives wage compensation while performing productive work that:

- a. Provides knowledge or skills essential to the full and proper performance of the job for which he or she is being trained;
- b. It is available through a program reimbursing the employer 50% of the participant's salary. The reimbursement may be higher, as provided in Section 134(c) (3) (H) (i) (ii), for extraordinary costs in providing the training and additional supervision related to the training;
- c. The duration of this is limited to the time necessary to obtain the knowledge related to the occupation for which training is being provided, taking into consideration the content of the training, prior employment, and service experience of the participant, as appropriate.



IV. MAXIMUM 90% REIMBURSEMENT

Pursuant to the approved waiver, employers may receive up to **90%** of the reimbursement of **employees' salaries**. The percentage will be calculated considering the number of full-time employees that each employer has. The following scale will be used, as approved:

- For employers with 50 employees or less, up to 90% reimbursement;
- For employers with 51-250 employees, up to 75% reimbursement;
- For employers with 251 employees or more - the statutory 50% reimbursement.


The maximum wage of \$13.23 per hour, the average in Puerto Rico, is maintained. Considering this, \$13.23 is the maximum wage to be considered for reimbursement purposes. This does not prevent evaluating and approving proposals where the wage is higher. However, reimbursement may not be calculated at the higher rate but at \$13.23 per hour.

To qualify for this maximum reimbursement, which is an exception to the 50%, the Title I-B funds administrator must consider the following factors:

- Participant characteristics (length of time unemployed, current skills, barriers to employment);
- Quality of the training provided by the employer and the professional growth opportunities it provides.

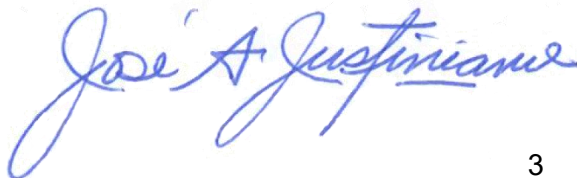
It shall be the public policy of this Local Board to prioritize the micro, small, and medium-sized businesses of the Region so that we may increase their participation in the employment training activity. For the purposes of this policy, and pursuant to Act No. 62 of 2014, known as the *Micro, Small and Medium-Sized Business and Small and Medium-Sized Merchant Support Act*.

V. SPECIAL PROVISIONS

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1. Employers who hire individuals with functional diversity who are eligible and able to work and individuals with criminal records will be reimbursed **90%** of the participant's salary who meet these criteria. In this case, the size of the company will not be considered. This is intended to encourage the recruitment of this population and help them break down barriers to employment.
 2. The waiver approved by the United States Department of Labor is effective until June 30, 2022, for the Adult, Dislocated Worker, and Youth Programs, regardless of the Program Year from which the funds are derived.
 3. Contracts for which reimbursements are **90%** must terminate on or before **June 30, 2022**. If the termination date is later, reimbursements after that date will be made following Section 134(c) (3) (H) (i) (ii), specifically considering the number of employees the employer has and using the same parameters of Section IV of this policy, except for those employers who were receiving **90%**. As of July 1, 2022, these will receive **75%** until the expiration date of the contract.
 4. The contracts of **eligible employers** that began before the approval of the waiver shall be amended if they so request. The Job Developer or designated official shall inform the employer of the approval of this waiver. If the employer is interested in availing himself/herself of the waiver, if eligible, he/she shall notify the designated officer in writing (letter or email) so that he/she may process the amendment. The Executive Director is delegated to approve the requested amendments. The amendment to the salary reimbursement rate shall be effective as of the approval of this amendment and as of the date on which the same is filed with the Office of the Comptroller of Puerto Rico. All amendments shall be prospective in nature as of the approval of this public policy.

VI. APPROVAL AND EFFECTIVENESS

This public policy shall become effective immediately upon approval. It supersedes the policy amendment approved on January 22, 2019, and those parts of the policy approved on October 27, 2016, that are not compatible with the provisions of this amendment. The Local Board Director shall inform and train staff within five (5) days of its approval.



March 25th, 2021

José A. Justiniano Rodríguez

Date

Local Workforce Development Board President

CERTIFICATE OF TRANSLATOR

Smile Again Learning Center, Corp., certifies that a fluent translator in English and Spanish translated this document, that the above is a true and correct translation of the original document provided, in our best judgment, the translated text truly reflects the content, meaning, and style of the original text and constitutes in every aspect a complete and accurate translation of the original document. This is to certify the correctness of the translation only. We do not make any claims or guarantees about the authenticity or content of the original document. Further, Smile Again Learning Center assumes no liability for the way in which the translation is used by the customer or any third party, including end-users of the translation. Any translation into another language shall be deemed as reference and the original version shall prevail in any case. A copy of the translation is attached to this certification.

In Isabela, Puerto Rico, June 30, 2024

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