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| New Mexico Department of Workforce Solutions Workforce Innovation and Opportunity Act State Administrative Entity | Workforce Guidance Letter: DWS 18-006 |
| | Subject: On-the-Job Training-Change 3 |
| | Date: January 7, 2022 |

PURPOSE:

To provide guidance to Local Workforce Development Boards (LWDBs) on the approved USDOL ETA Reimbursement Rate Waiver for the development of local policies and procedures to administer On-the-Job-Training (OJT) contracts under the WIOA Title 1 Adult, Dislocated Worker and Youth programs.

REFERENCE(S):

- Workforce Innovation and Opportunity Act (WIOA), July 22, 2014, §189(i)(3)(B), §134(c)(3)(h)(i)
- WIOA Final Rules-U.S Department of Labor (Title I): 20 CFR §679.620, §680.720(b), §80.730
- TEGL 8-18

BACKGROUND:

On September 2021 the New Mexico Department of Workforce Connection requested the U.S. Department of Labor Employment and Training Division (USDOL-ETA) to waive the requirements of WIOA §134 (c)(3)(H)(i) and 20 CFR §680.720(b) in order to increase the on-the-job training (OJT) employer reimbursement up to 90 percent for businesses with less than 50 employees. In December 2021 USDOL-ETA approved the waiver request with the waiver expiring June 30, 2022. All provisions of guidance letter DWS-18-006 Change 2 are in effect with the exclusions of the changes made in this policy.

REIMBURSEMENT PERCENTAGE

For all WIOA OJTs, LWDB may reimburse employers for the extraordinary cost of training OJT participants at a rate of up to 90% of the applicable wage level using a sliding scale based on employer size and can be uniformly applied.

Employer size: An LWDB may use the following sliding scale for employer reimbursement based on employer size:

- 1) up to 90 percent for employers with 50 or fewer employees;
- 2) 2) up to 75 percent for employers with 51-250 employees and;
- 3) 3) up to 50 percent for employers with 251 or more employees.

Payroll records shall be used to document employer size or a penalty of law statement on the Pre –Award Checklist attesting to the number of current employees.

LWDB will reimburse employers for the extraordinary cost of training OJT participants consistent with this section, related State and Federal guidance and any waivers granted by USDOL.

ACTIONS REQUIRED

Effective immediately a copy of a new or updated local policy following criteria set forth in this guidance must be submitted by email to your board liaison within 30 days of receipt of this guidance.

Policy needs:

Reflect Reimbursement Percentage Wage Rate per USDOL waiver and this Workforce Guidance Letter DWS 18-006 Change 3.

INQUIRIES. Please direct all inquiries to the Department of Workforce Solutions, Workforce Investment Opportunity Act board liaison.

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New Mexico Department of Workforce Solutions