

SC WORKS

PEE DEE

PEE DEE LWDA INSTRUCTION NUMBER: 20-003 Change 1

To: Pee Dee LWDA Contractors

Subject: On-the-Job Training (OJT) Reimbursement flexibility under WIOA

Issuance Date: January 26, 2021

Effective Date: Immediately

Purpose: The purpose of Change 1 is to update the stated definition of a small business in accordance with a standard used by the SC Department of Employment & Workforce, SC Department of Commerce and SC Chamber of Commerce. Any establishment with less than 50 employees is classified as a small business and a business is considered medium size if it employees 50-249 employees. The instruction also clarifies Pee Dee Local Workforce Development Area's policy regarding reimbursements for on-the-job training, reflecting that the Board/contractor is not required to pay more than 50%, but may make the decision to do so under certain circumstances.

Background: Under the Workforce Investment Act (WIA), the State of South Carolina received a waiver to increase employer reimbursement for OJT based on the size of business as well as, the length of the participant's unemployment. Under the Workforce Innovation Opportunity Act, the Local Board may increase the reimbursement rate for OJT contracts up to 75%, when taking into account the following factors:

- 1) Characteristics of participants taking into consideration whether they are "individuals with barriers to employment," as defined in WIOA sec. 3(24);
- 2) size of the employer, with an emphasis on small businesses;
- 3) quality of employer-provided training and advancement opportunities (e.g. OJT contract is for an in-demand occupation and will lead to an industry-recognized credential; and
- 4) other factors Local Board may determine to be appropriate, which may include number of employees participating, wage and benefit levels of employees (both at present and after completion) and relation of training to the competitiveness of the participant.

Local Board must document the factors used when deciding to increase wage reimbursement levels above 50% up to 75%.

Action: The Pee Dee Local Board may allow contractors to increase wage reimbursement levels above 50% for OJT as follows:

- Based upon the size of the business, with an emphasis on small businesses:

Reimbursement Level	Size of Business	Number of Employees
50%	Large	250+
60%	Medium	50-249
75%	Small	Less than 50 (49 or less)

- Based upon the employer's participation in registered apprenticeship programs: When the OJT contract is written with registered apprenticeship programs or participating employers in registered apprenticeship programs, for the on-the-job training portion of the registered apprenticeship, the employer will be reimbursed at the **75% rate**.
- Based upon the OJT contract leading to an industry-recognized credential for the employee: When the OJT contract leads to an industry-recognized credential by the end of the designated training schedule, the employer will be reimbursed at the **75% rate**.

Assumptions:

- In order to be eligible for reimbursement, OJT opportunities must be in high demand occupations targeted for training, as designated by the Pee Dee Workforce Investment Board.
- OJT will be available to all eligible customers. However, priority will be given to those who fall under the priority of service in the WIOA program. All barriers to employment will be documented in SCWOS at eligibility determination.

The Pee Dee Workforce Development Board reserves the right to consider other factors in its determination of the employer's reimbursement rate, including, but not limited to, availability of funding and the characteristics of the participant to be employed.

Inquiries: Questions pertaining to this instruction should be directed to Dianne Herrington at 843-687-0091.

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