



DEPARTMENT OF
CAREER SERVICES

Workforce Issuance

100 DCS 16.101

☒ **Policy** ☐ **Information**

To: Chief Elected Officials
MassHire Workforce Board Chairs
MassHire Workforce Board Directors
Title I Administrators
MassHire Career Center Directors
Title I Fiscal Officers
MDCS Operations Managers

cc: WIOA State Partners

From: Alice Sweeney, Director
MassHire Department of Career Services

Date: March 11, 2019

Subject: **On-The-Job Training Waiver for Small Employer Reimbursement**

Purpose: To inform MassHire Workforce Boards, MassHire Career Centers and other workforce partners of the US Department of Labor (US DOL) approved Massachusetts waiver for employer reimbursement within the on-the-job training program. The waiver, specific to employers with 50 or fewer employees, is approved through June 30, 2020.

Background: Section 189(i) of WIOA authorizes the Secretary to waive certain statutory and regulatory provisions of the WIOA and of the Wagner-Peyser Act. This general statutory and regulatory waiver authority provides increased flexibility to states and local areas, and it provides an opportunity for states and local areas to organize services in ways that best meet the needs of the state, regional and local economies and overcome legal or regulatory barriers that may impede innovation. Waivers provide flexibility in exchange for improved programmatic outcomes and must be consistent with WIOA's key reform principles.

Small to medium-sized employers are responsible for 51 percent of all jobs in Massachusetts, therefore the Commonwealth estimates that small to medium-

sized employers will comprise a significant percentage of OJT opportunities. The Commonwealth anticipates achieving the following goals with implementation of this waiver:

- Maximize the flexibility needed to impact local economic vitality and direct resources where demand for services is greatest by assisting local areas in marketing OJT as a vehicle to engage employers.
- Increase training and transitional employment opportunities for unemployed workers and hard-to-serve youth and adults.
- Equip individuals with relevant job training and transferable skills in high-skill, high-wage, high-demand occupations and industries.
- Increase business usage of the local workforce system by providing added incentives to hire and train new workers.

Please note: this waiver does not apply to discretionary grant funds. In order to apply this approved waiver to National Dislocated Worker Grants (NDWG), MDCS may request a modification to individual NDWG grant agreements.

Policy: The Commonwealth’s “OJT Waiver” USDOL permits an On-the-Job Training reimbursement rate of up to 90% for businesses with 50 or fewer employees. MassHire Workforce Boards may utilize the state’s waiver to implement On-the-Job Training

- A company of 50 or fewer employees will be reimbursed up to a rate of 90% up to a maximum level based on the Commonwealth’s average wage rate*

**As determined by the Bureau of Labor Statistics.*

The OJT Waiver is approved through June 30, 2020, for the WIOA Title I Adult, Dislocated Worker, and Youth formula funds.

Action

Required: Local areas intending to implement an approved Massachusetts waiver must adhere to the requirements described herein.

MassHire Workforce Boards electing to implement this waiver must ensure that OJT policies and practices specifically permit inclusion of the waiver.

Waiver implementation must be documented in the Local Annual Plan.

Effective: Immediately

Attachments: A. US DOL Waiver Approval Letter – OJT Employer Reimbursement (6/12/18)

Inquiries: Please email all questions to PolicyQA@detma.org. Also, indicate Issuance number and description.