



**Public Policy for the Reimbursement of up to 90% of the Wage/Hour to Employers
in Relation to the On-the-job Training Program Activity (OJT)
Public Policy Number 49**

I. INTRODUCTION

The Workforce Innovation and Opportunity Act (WIOA, for its English acronym) is designed to help the people who are searching for a job, so that they can have access to job activities and/or services, education, training and support or assistance services to be successful in the job market, and match employers with the specialized workers (skilled workers) they need to compete in the global economy.

The On-the-job Training activity (OJT, for its English acronym) purpose is to facilitate training provided by the employer in the workplace, activity for which they receive a salary compensation.

On February 12, 2021, the Labor Department Secretary approved an exemption, as requested by the Workforce Development Program to increase the reimbursement to the employers that participate in the On-the-job Training activity up to **90%**. On February 17, 2021, the Workforce Development Program sent the authorization to implement the exemption, as approved.

II. LEGAL BASE

The Workforce Innovation and Opportunity Act (WIOA, for its English acronym), 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 ascribed to the Federal Labor Department on March 1, 2017.

Notice issued by the Workforce Development Program dated February 17, 2021 authorizing the implementation of the exemption.

III. ON-THE-JOB TRAINING DEFINITION

The term “on-the-job training” or OJT, as known for its English acronym, refers to the training offered to a participant by an employer who receives a salary compensation while conducts a productive work that:

- a. provides knowledge or essential skills to completely and adequately execute the job for which the training is being provided.
- b. is available through a program that reimburses 50% of the participant’s wages to the employer. The reimbursement can be higher pursuant to Section 134(c)(3) (H)(i) (ii), because of extraordinary costs incurred to provide the additional training and supervision related to the latter.
- c. is limited to the time necessary to obtain the knowledge related to the position for which the participant is being trained, considering the training content, and the participant’s previous job experience and service, as appropriate.

IV. MAXIMUM REIMBURSEMENT OF 90%

According to the exemption approved, the employers will be able to receive up to 90% reimbursement from the employees’ wages. The percentage will be calculated considering the amount of the own employees and fulltime 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 to 250 employees up to 75% reimbursement
- For employers with 251 employees or more – the statutory 50% reimbursement

SOUTHEAST LOCAL WORKFORCE DEVELOPMENT BOARD

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The minimum hourly salary of \$13.13 is kept, which is the average hourly salary in Puerto Rico, considering that, \$13.23 is the maximum salary that will be considered to the effects of reimbursement. This is not an obstacle to evaluate and approve proposals of a higher salary. However, the reimbursement cannot be calculated considering the higher amount, but the \$13.23 per hour.

To qualify for the maximum reimbursement, which is an exception to the 50%, the Title 1-B funds administrator entity must consider the following factors:

- Participants' characteristics (duration of unemployment, present skills, and barriers to get a job)
- Quality of the training provided by the employer and the opportunities for professional growth they provide.

This Local Board's public policy will be to prioritize micro, small and medium-sized businesses of the Region, so that we can increase their participation in the on-the-job training activity to the effects of this policy and according to Act No. 62 of 2014, known as the *Law of Support for Microenterprises and Small and Medium-sized Merchants Act*.

V. SPECIAL PROVISIONS

1. The employers that may hire persons with functional diversity, eligible and apt to work, as well as people with penal antecedents will be reimbursed **90%** of the wages of the participant that complies with these criteria. In this case the size of the enterprise will not be considered. The purpose of this is to promote the recruitment of this population and help them tear down barriers to employment.
2. The exemption approved by the Federal Department of Labor will be in force until June 30, 2022 for the Adult Programs, Dislocated Workers and Youth, irrespective of the Program Year from which the funds come.
3. The contracts whose reimbursements are **90%** must end by **June 30, 2022**. If the expiration date is posterior to that date, the reimbursements as of that date will be made in compliance with Section 134(c)

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(3) (H) (i) (ii), specifically considering the number of employees of the employer and using the same parameters of Section IV of this policy, except for those employers that received **90%**. These ones will receive 75% as of July 1, 2022, until the contract expires.

4. The **eligible employers'** contracts that began before the approval of the exemption will be amended if they request it. The employment promoter or designated official will inform the employer the approval of the present exemption. If the employer is interested in taking advantage of said exemption and eligible for it, they will notify in writing (via a letter or email) to the designated official, so that the amendment can be processed. The approval of the requested amendments will be delegated to the Executive Director of the Local Board provided the budget increase is not higher than the equivalent of 10% of the award originally approved. If the amendment represents a budget increase higher than 10%, it will be evaluated by the Provider Evaluation Committee ascribed to the Local Board. The amendment to the wages reimbursement rate will take place as of the approval of this amendment and on the date of its registration at the Puerto Rico Comptroller's Office. All the amendments will have prospective character as of the approval of this public policy.

VI. APPROVAL AND VALIDITY

This public policy was approved by the ALDLSureste Local Board in virtual meeting conducted on March 3, 2021. The votes issued were accounted for, registered and filed by the Board's Administrative Assistant. The policy will be enforced immediately after its approval, and it nullifies the policy approved on January 22, 2019. The Local Board's Executive Director will be responsible for the training of the personnel within the five (5) days following its approval.

For the record, I sign the present public policy in Humacao, Puerto Rico on the third day of the month of March of the year 2021.

[Signed]

Jesús E. Delgado Morales
President
Workforce Development Local Board

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