

Lisa Wilson
Chair



Pamela Lancaster
CEOB Chair

Motion to Approve Reimbursement Rates for On-the-Job Training May 26, 2016 Meeting of the Greater Nebraska Workforce Development Board (GNWDB)

Reimbursement Rates for On-the-Job Training, Agenda Item 5C

Background: On-the-job Training (OJT) payments to employers are deemed to be compensation for the extraordinary costs associated with training participants and potentially lower productivity of the participants while in the OJT. Typically, the reimbursement rate may be up to 50 percent of extraordinary costs.

The Governor or local board may increase the amount of the reimbursement from 50 percent up to 75 percent of the wage rate of a participant for a program.

In making the determination of whether to increase the reimbursement amount, the Governor or the local board must take into account factors consisting of

1. The characteristics of the participants taking into consideration whether they are “individuals with barriers to employment” as defined by WIOA Section 3(24).
2. The size of the employer;
3. The quality of the employer-provided training and advancement opportunities; and
4. Such other factors as the Governor or local board, respectively, may determine to be appropriate, which may include
 - i. The number of employees participating in the training;
 - ii. Wage and benefit levels of those employees (at present and anticipated upon completion of the training); and
 - iii. Relation of the training to the competitiveness of a participant.

The System Coordination Committee has proposed that the GNWDB increase the amount of OJT reimbursement from 50 percent to 75 percent under the following criteria:

Participant Characteristics	Employer Characteristics
Ex-offender; 55 and older; GED received within the past year; Long term unemployed; or Physical or mental disability	In business for less than three years; or Business size of 1-50 employees