

STATE OF NEBRASKA
Workforce Investment Act Waiver Request
Waiver of the Required Maximum 50% OJT
Employer Reimbursement

Date: September 14, 2012
State: Nebraska
Agency: Department of Labor, Office of Employment and Training

Statutory And/Or Regulatory Requirements To Be Waived

The WIA Section 101(31)(B) and 20 CFR 663.710(b) dealing with the OJT reimbursements. The Nebraska Department of Labor, the administrative entity of Workforce Investment Act (WIA) Title I program for the three local workforce areas within Nebraska, requests a waiver of WIA Section 663.710(b) related to the statutory exclusion and regulatory prohibition of the maximum On-the-Job Training (OJT) reimbursement. This waiver will allow a change to the maximum employer reimbursement of OJT training from the current 50% of the wage rate. The waiver request seeks to allow Nebraska to reimburse the employer on a graduated scale based on the size of the business. Under the waiver, the following reimbursement amounts will be permitted: 1) for employers with 50 or fewer employees up to 90% of the trainee's wages, and 2) for employers with 51 to 250 employees up to 75% of the trainee wages. For employers with 250 or more employees, the current statutory requirements (50% reimbursement) for trainee's wages will continue to apply. The statutory maximum reimbursement has been determined to be a deterrent for small employers in Nebraska that had considered OJT as a means to develop workforce skills necessary for growth in their respective industries. A graduated scale of reimbursement will create more incentive for small employers to participate in OJT that achieves high-skill, high demand and/or high wage attainment and family sustaining jobs.

As required by 20 CFR 663.700, the length of an OJT will still be determined by the skill requirements of the occupation, the academic and occupation skill level of the participant, prior work experience, and the participant's individual employment plan.

Approval of this waiver will be especially beneficial to small businesses that provide most of the new jobs being created in Nebraska.

This waiver request follows guidelines identified in WIA 189(i)(4)(B) and 20 CFR Section 661.420(c).

Waiver Duration

July 1, 2012 through the reauthorization of the Workforce Investment Act. On the Job Training must serve WIA eligible individuals utilizing the appropriate program funds for the appropriate WIA eligible population. Priority will be given to low-income individuals when funds are limited.

Actions Undertaken To Remove State Or Local Barriers

There are no state or local statutory or regulatory barriers to implementing the waiver.

Goals And Expected Programmatic Outcomes Of Waiver

- Increased percentages of employers using OJT as a means of hiring and retaining a skilled workforce
- Increased number and percentages of workers trained and hired through OJT programs
- Elevated skill proficiencies for workers that will result in increased worker viability
- Increased responsiveness to labor market issues in the private sector
- Increased flexibility at the local level to offer businesses training solutions tailored to respond to the specific needs of the business

Individuals Impacted By The Waiver

Employers, particularly small employers, will benefit from this waiver allowing OJT at a reduced cost. It will allow businesses to more rapidly adapt to changes in technology and the marketplace. Businesses will be capable of expanding and remaining competitive with affordable OJT options uniquely designed to achieve their specific developmental goals. This waiver will make OJT a much more viable option, especially for small businesses looking to get started or expand.

The waiver will also benefit Adults, Dislocated Workers and Out-of-School Youth who are eligible for services under WIA by the availability of OJT options as a more direct path to employment.

Process For Monitoring Progress In Implementation

The Nebraska Department of Labor will monitor the implementation and impact of the waiver through the program and administrative monitoring system.

Notice To Affected Local Boards

This waiver was included in the final draft Five-Year Integrated State Plan posted at www.dol.nebraska.gov on September 14, 2012.

Public Comment

This waiver request is posted for public comment on the Nebraska Department of Labor (NDOL) website at www.dol.nebraska.gov. Any comments received will be forwarded to ETA Regional Office. Upon approval of this waiver, NDOL's Office of Employment and Training will issue a state policy that will be disseminated to Local Workforce Investment Areas. The policy will also be posted on the NDOL website for a 10 day comment period, with the final policy posted on the NDOL website, at www.dol.nebraska.gov.