

WorkSource Information Notice (WIN)

WorkSource Standards & Integration Division

Policy Clarification | Q&A | Other

Number: WIN - 0033
Date: January 25, 2013
Expiration Date: N/A

TO: Workforce Development System Partners
FROM: Amy L. Smith, Deputy Assistant Commissioner
SUBJECT: DOL/ETA Final Determination on On-the-Job-Training (OJT) Findings

Purpose:

To communicate the final determination by the U.S. Department of Labor Employment and Training Administration (DOL/ETA) per findings issued during its compliance review of Washington's ARRA WIA OJT NEG.

Action Required:

Workforce Development Councils (WDCs) must distribute this guidance broadly throughout the system to ensure that WorkSource system staff and contractors are familiar with its contents and requirements related to WIA-funded on-the-job training (OJT).

Content:

In March 2012, DOL/ETA Region 6 conducted a compliance review of Washington's ARRA OJT NEG, which included a visit to the Southwest workforce development area. Based on its review, DOL/ETA Region 6 issued two findings:

- Washington inappropriately withheld employer reimbursements for the extraordinary costs of training beyond completion of OJT (e.g., withheld half of the reimbursement until 90-day retention was achieved);
- Washington did not report OJT expenditures on an accrual basis (e.g., reported actual rather than accrued expenditures at the time of OJT contract execution).

Washington concurred with the latter, but challenged the former. A final determination by DOL/ETA denied the State challenge and upheld the original determination. The State addressed the finding and was informed on January 14, 2013 that its response was accepted and the finding was closed. The matter having been formally settled, the State is disseminating the following guidance.

Effective immediately, employer reimbursements for the extraordinary costs of training on OJTs must be paid promptly upon completion of OJT. Withholding reimbursements (e.g., to bolster retention) is non-compliant with federal laws, rules, and guidance governing OJT. Local areas developing WIA-funded OJT must comply accordingly in the implementation of local policy and activities.

Also effective immediately, local areas developing WIA-funded OJT are instructed to continue to report OJT expenditures on an accrual basis. Staff training was provided by ESD's Specialized Accounting Service (SAS) unit. For questions or information, please contact the SAS unit.

References:

- WIA Section 101(31)
- 29 CFR 663.700-710
- Training and Employment Notice (TEN) 38-09
- Training and Employment Guidance Letter (TEGL) 4-10
- 20 CFR 667.262-264

Website:

http://www.wa.gov/esd/1stop/policies/state_guidance.htm

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Attachments:

None