

EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D.C. 20210	CLASSIFICATION On the Job Training
	CORRESPONDENCE SYMBOL OWI
	DATE March 7, 2013

ADVISORY: TRAINING AND EMPLOYMENT GUIDANCE LETTER NO. 16-12

TO: STATE WORKFORCE AGENCIES
STATE WORKFORCE ADMINISTRATORS
STATE WORKFORCE LIAISONS
STATE AND LOCAL WORKFORCE BOARD CHAIRS AND DIRECTORS
STATE LABOR COMMISSIONERS

FROM: JANE OATES /s/
Assistant Secretary

SUBJECT: On-the-Job Training and National Emergency Grants (OJT NEGs) Funded with Workforce Investment Act Dislocated Worker Reserve Funds

1. **Purpose.** Through this guidance, the Department of Labor is providing instruction on how states can apply for exemptions to restrictions prohibiting the use of OJT NEG funds on activities related to casinos or other gambling establishments, swimming pools, aquariums, zoos, and golf courses. In addition, this guidance provides updated hourly State Wage Cap data. Updated Unemployment Insurance (UI) Duration figures for OJT NEGs are not included in this TEGL, but are updated quarterly on doleta.gov.
2. **References.**
 - Training and Employment Guidance Letter (TEGL) No. 4-10 (*August 6, 2010*), On-the-Job Training National Emergency Grants (OJT NEGs) Funded with American Recovery and Reinvestment Act of 2009 Resources
 - Training and Employment Notice (TEN) 38-09 (*August 6, 2010*), American Recovery and Reinvestment Act of 2009 On-the-Job Training National Emergency Grants
 - The American Recovery and Reinvestment Act of 2009 (P.L. 111-5)
 - Workforce Investment Act (WIA), sections 173 and 189(i) (29 U.S.C. 2918)
 - WIA regulations at 20 CFR Part 661, 663 and 671
 - TEGL No. 16-03, Changes 1-5, (*January 26, 2004; Changes Issued on August 18, 2004; May 4, 2005; October 14, 2005; July 13, 2006; April 27, 2007*), National Emergency Grant Policy Guidance
 - TEGL No. 17-05 (*February 17, 2006*), Common Measures Policy for the Employment and Training Administration's (ETA) Performance Accountability System and Related Performance Issues
 - TEGL No. 19-08 (*April 30, 2009*), National Emergency Grants Funded with American Recovery and Reinvestment Act of 2009 Resources

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3. **Background.** On June 25, 2010, former Secretary of Labor Hilda Solis announced the award of \$75 million to 41 states, three federally recognized Tribes, and the District of Columbia to provide prolonged unemployed dislocated workers with on-the-job training (OJT) opportunities funded through the American Recovery and Reinvestment Act of 2009 (ARRA). The initial period of performance for these grants was June 30, 2010 through June 30, 2012, however, the period of performance was extended for 14 of the grantees to September 30, 2012 to allow states to more fully expend funds. All ARRA funded OJT NEGs have expired.

On June 30, 2012, 14 states (CA, CO, FL, ID, MA, MI, MO, MT, NH, NM, NY, PA, WA, and WI), received \$26,767,549 in Workforce Investment Act Dislocated Worker Reserve funds to continue OJT NEG activities. The period of performance for these funds is June 30, 2012 to June 30, 2014, with the exception of Florida, which requested a period of performance to June 30, 2013.

In light of the new funding stream for OJT NEGs, states can apply for exemptions to ARRA-based restrictions prohibiting the use of OJT NEG funds on activities related to casinos or other gambling establishments, swimming pools, aquariums, zoos or golf courses. In addition, the State Wage Cap chart has been updated to reflect the most current data. All other ARRA regulations and policies remain unchanged.

4. **ARRA-based restrictions prohibiting the use of OJT NEG funds on activities related to golf courses, casinos, swimming pools.** ETA is providing the following instructions for states to request an exemption to the restriction on OJT NEG grants being used to create OJT positions with the following employers: casinos or other gambling establishments, swimming pools, aquariums, zoos, golf courses. In order to qualify for an exemption, states must submit a written narrative to the national grant officer detailing the following:

- How expanding the employer type will increase employer participation in OJT NEGS. Include the projected number of employers who would be eligible to participate in OJT NEG activities if this restriction is lifted.
- How expanding the employer type will increase participant numbers. Include the estimated number of participants that would enroll/benefit in the state if this restriction is lifted.
- The number of available jobs statewide that are located in casinos or other gambling establishments, swimming pools, aquariums, zoos or golf courses that are high wage, non-seasonal, and permanent.

5. **State Wage Cap.** Training reimbursement for OJT NEGs is restricted by the wage cap policy detailed in TEGL No. 4-10. States' average hourly wage rates are provided by the Bureau of Labor Statistics in the Quarterly Census of Employment and Wages and are documented in TEGL No. 4-10 and on the Department's Employment and Training Administration website (www.doleta.gov/). Current OJT NEG average hourly wage rates are based on annual data for 2009. This information has been updated with 2011 average hourly

wage rates; effective immediately, the hourly wage caps for the 14 states with current OJT NEG programs is as follows:

2011 average hourly rates across all occupations	
State	Average Hourly Rate
California	24.96
Colorado	22.84
Florida	19.59
Idaho	18.52
Massachusetts	26.32
Michigan	21.01
Missouri	19.47
Montana	17.71
New Hampshire	21.74
New Mexico	19.61
New York	25.39
Pennsylvania	21.19
Washington	24.17
Wisconsin	19.92

- 6. Action Requested.** Please distribute this information to all appropriate state and local officials, including local workforce investment board chairs, administrative entities, chief elected officials, and American Job Centers.
- 7. Inquiries.** Questions regarding program and policy issues for OJT NEGs should be addressed to the appropriate ETA regional office.