

Match Funds from Employer Paid Portion of On-the-Job Training

In meeting the training expenditure requirements of AB 1149, Local Workforce Development Boards may apply match funds from the employer paid portion of on-the-job training (OJT) as leveraged resources. In order to be applied toward the minimum training expenditure requirement, these match funds must be attributable to the cost of the participant's training.

Example – A Local Workforce Development Area (Local Area) establishes an OJT contract with an employer that includes expected training costs of \$7,000 for a WIOA participant. The contract includes a 50 percent wage reimbursement rate for the employer. The participant will earn \$10,000 in wages during the OJT period.

In this scenario, WIOA provides \$5,000 in wage reimbursement and the employer provides \$5,000 in match funds.

Wage Reimbursement (Calculation: \$10,000 X 50%)	\$5,000
Employer Match Funds (Calculation: \$10,000 - \$5,000)	\$5,000

Of the \$7,000 in expected training costs, the WIOA reimburses the employer \$5,000; therefore, the employer has \$2,000 in unfunded training costs.

Wage Reimbursement (Calculation: \$10,000 X 50%)	\$5,000
Unfunded Training Costs (Calculation: \$7,000 - \$5,000)	\$2,000

In order to calculate the unfunded training costs, a local area would subtract the \$5,000 in WIOA wage reimbursement from the \$7,000 cost to train the individual; this leaves \$2,000 in unfunded training costs. Of the employer's \$5,000 match, \$2,000 is spent on unfunded training costs and can be applied as leveraged resources. The remaining \$3,000 of the employer's match is considered wages and has no direct correlation to the cost of training. As a result, the \$3,000 cannot be applied as leveraged resources.

Wages Unrelated to Training (Calculation: \$5,000 - \$2,000)	\$3,000
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In summary, the \$5,000 in WIOA wage reimbursement can be applied toward the training expenditure requirement as formula funds. The \$2,000 in unfunded training costs can be applied as a match fund leveraged resource. The \$3,000 in wages paid to the participant cannot be applied as leveraged resources.