**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

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.