

WIA WAIVER REQUESTS FOR PY'06 –PY'07

USE OF RAPID RESPONSE FUNDS FOR INCUMBENT WORKER TRAINING

Statutory or Regulatory Requirements to be Waived

Waiver of the language limiting the authority to provide the activities at WIA 134 (a)(1)(B) to statewide reserve funds to permit the use of a portion of the funds reserved for rapid response activities to WIA Section 133 (a)(2) to provide incumbent worker training.

The Virgin Islands request that funds reserved for rapid response activities be waived to allow up to 50% to be used for incumbent worker training.

Citation

WIA 133(a)(2) Statewide rapid response activities – The Governor of a State shall reserve not more than 25% of the total amount allotted to the State under section 132 (b)(2)(B) for a fiscal year for statewide rapid response activities described in section 134 (a)(2)(A)

Statement of Justification

Both new and high-growth employment sectors in the community are driven to keep their workforce current – on new techniques, changes in procedures and the ever changing technology. To do this effectively it is imperative that employers are afforded the opportunity to provide continuous training to their incumbent workforce without. Also, incumbent workers trying to follow a career path to upward mobility should be afforded the opportunity to receive skills upgrade training in their chosen occupational fields without draining their resources.

Relation to the Two-Year Plan

In its discussion of workforce priorities the Workforce Board speaks to the refocusing of formula funds to address the needs of incumbent workers. Further, the Governor's vision speaks to providing incumbent workers with continuing education, training and certification programs that further career development. Incumbent workers must be given the means to continually advance in skill and position. This waiver will allow the workforce system to assist the effort in high demand occupations.

Inhibiting State or Local Statutes/Regulations

There are no state or local statutory or regulatory barriers to implementing this request.

Measures Affected

The measures that will be affected by this waiver include Employment Retention and Earnings Change/Replacement. Both should increase significantly as employees will be encouraged to commit to an occupation that provides internal growth and advancement. Advancement in skills and responsibility should therefore lead to increased earnings.

DATA COLLECTION RELIEF FOR INCUMBENT WORKERS

Statutory or Regulatory Requirements to be Waived

Waiver of the reporting requirements at 20 CFR 667.300(a) to provide relief in the collection of certain participant data elements for incumbent workers trained with local area WIA formula funds.

The Virgin Islands requests that the following data elements of the Workforce Investment Act Standardized Record Data (WIASRD) be waived: single parent (117); unemployment compensation eligible status at participation (118); low income (119); TANF (120); other public assistance (121); homeless individual and/or runaway (125); and offender (126).

Citation

20 CFR 667.300(a) -- All States and other direct grant recipients must report financial, participant and performance data in accordance with instructions issued by DOL.

Statement of Justification

Presently individuals who are low income, receiving public assistance and have other significant barriers to employment are given priority for training opportunities. This leaves many employers in a quandary when seeking workforce assistance since many of their employees cease to be eligible once they are employed. This waiver will allow employers an additional source of funding for in-house training which will ultimately serve the workforce as a whole and help meet the Governor's vision of establishing a well trained workforce.

Relation to the Two-Year Plan

The Governors Vision discusses the development of a workforce system that develops and sustains a career driven, adaptable and technologically literate workforce: the system will work with employers to develop career development ladders within each industry and enables job seekers to pursue career, rather than job opportunities. One method to achieving this requires more access to workforce services by incumbent workers who will now qualify for additional services through this waiver.

Inhibiting State or Local Statutes/Regulations

There are no state or local statutory or regulatory barriers to implementing this request.

Measures Affected

Measures affected by this waiver include Entered Employment – individuals will be more likely to enter an occupation that provides growth opportunities; Retention – advancement opportunities encourage employee loyalty; Average Earnings – as an employees skills increase so should their earnings potential.

SLIDING SCALE MATCH FOR CUSTOMIZED TRAINING

Statutory or Regulatory Requirements to be Waived

Waiver of the required 50% employer match for customized training at WIA Section 101 (8)(C) to permit a match based on a sliding scale.

The Virgin Islands requests that customized training programs be negotiated on a sliding scale determined by the resources of the employer.

Citation

WIA Section 101 (8)(C) – Customized training means training. . . for which the employer pays for not less than 50% of the cost of training.

Statement of Justification

The case currently exists whereby small businesses which constitute the majority of employers doing business with the workforce system find a 50% match burdensome for the type of training it attempts to provide. This waiver will allow small businesses to participate in targeted in-house training opportunities.

Relation to the Two-Year Plan

The Governor’s vision calls for a continuum of education and training opportunities that support a skilled workforce: strategies to accomplish this include the development of policy to support a continuum of education and training in the Territory. In addition to that as a system built on providing universal access to the demand-driven system employers should be afforded the opportunity to participate in workforce development resources that help maintain and grow their workforce. This waiver allows even the smallest business assistance in building the skills of their employees.

Inhibiting State or Local Statutes/Regulations

There are no state or local statutory or regulatory barriers to implementing this request.

Measures Affected

The measures that will be affected include Entered Employment and Retention. Employers will be able to train individuals for specific tasks and retain them once employed by continuous planned upgrades.

SLIDING SCALE MATCH FOR OJT'S

Statutory or Regulatory Requirements to be Waived

Waiver of WIA Section 101(31)(B) to permit states to reimburse the employer on a graduated scale based on the size of the business.

The Virgin Islands requests that OJT's be negotiated on a sliding scale determined by the resources of the employer.

Citation

WIA Section 101(31)(B) – On The Job training means training by an employer that is provided to a paid participant while engaged in productive work in a job that . . . provides reimbursement to the employer of up to 50% of the wage rate of the participant, for the extraordinary costs of providing the training and additional supervision related to the training.

Statement of Justification

The current situation that allows for an up to 50% match with an employer although helpful has proved limiting in the types of OJT's that are created, specifically for youth. A sliding scale will allow for more participation by small business employers. This waiver will allow more diversity in the type of OJT's available.

Relation to the Two-Year Plan

The Workforce Priorities cited in the Plan seeks to increase opportunities for out-of-school youth. One of the strategies used to offer more immediate entry to the workforce while still learning is the On-the-Job training experience. This waiver allows for employers who could not meet the 50% match to participate thus increasing the options for training youth most in need.

Inhibiting State or Local Statutes/Regulations

There are no state or local statutory or regulatory barriers to implementing this request.

Measures Affected

The measures affected include Entered Employment for Adults and Youth, Retention, and Credentials. Overall, more work based opportunities will lead to better employability for customer's entry into workforce, retention because skills are up to par and credentials based on the skills obtained.

USE OF FUNDS FOR ECONOMIC DEVELOPMENT ACTIVITY

Inhibiting State or Local Statutes/Regulations

Waiver of the provision at WIA Section 181(e) that prohibits the use of funds for economic development activities that are not directly related to training for eligible individuals.

The Virgin Islands requests that funds be used for economic development activities tied directly to workforce development and human capital solutions such as work related to identifying skill requirements of business and developing industry-recognized competency models.

Citation

WIA Section 181(e) – No funds available under this title shall be used for employment generating activities, economic development activities, investment in revolving loan funds, capitalization of businesses, investment in contract bidding resource centers, and similar activities that are not directly related to training for eligible individuals under this title.

Statement of Justification

Businesses often make assessments of their workforce needs based on past track records or projected growth requirements, often not taking into consideration “real time” data that help to build a solid growth plan. The workforce system can assist the employer by helping to define skill requirements and wading through the myriad industry recognized competency models that exist and identifying those which may be best suited to the industry at hand.

Relation to the Two-Year Plan

The Governors vision calls for stronger relationship with business to develop a solid workforce system. By so doing, an accurate assessment of the needs of business must be obtained. One of the services that can be offered by the Workforce System is to help in the development of human capital solutions that benefit this community.

Inhibiting State or Local Statutes/Regulations

There are no state or local statutory or regulatory barriers to implementing this request.

Measures Affected

Both the Entered Employment Rate and Credentials will be affected by this waiver. With new relevant information at hand employers know what to look for in an employee, how to develop any type of long-term training plan that may be needed and employees know what type of credentials will be needed for employment either before and while employed with the industry.

USE OF COMMON MEASURES ONLY

Inhibiting State or Local Statutes/Regulations

Waiver of the seventeen measures described in WIA Section 136(b) to permit implementation of and reporting only Common Measures in place of current measures for WIA/Wagner-Peyser.

The Virgin Islands requests a waiver of the (17) regular measures and the use of only the (6) Common Measures.

Citation: WIA §136(b), §129,134; 20 CFR §666.100; Wagner-Peyser Act as amended, §10(c) and §3(c). TEGL 17-05

Statement of Justification

The six performance measures developed by the Department of Labor – Employment and Training Administration focus on placement and retention in employment, attainment of education and credentials, average earnings and literacy and numeracy gains. These measures gauge the heart of the workforce system, allowing managers to hone in on the weak areas of the system and make changes accordingly. It also allows administrators both state and federal to measure progress in developing current workforce needs. Further, it streamlines the process resulting in the efficiency and efficacy of reporting.

Relation to the Two-Year Plan

The workforce priorities as well as the overarching goals speak to the need for increased performance accountability. Use of common measures only allows the Territory to focus on achieving and maintaining goals that best reflect its continued progress in both WIA and Wagner-Peyser services.

Inhibiting State or Local Statutes/Regulations

There are no state or local statutory or regulatory barriers to implementing this request.

Measures Affected

All measures would be positively affected since the focus on six main areas will result in a more customer focused rather than program focused system.

WAIVERS FOR WHICH AN EXTENSION IS REQUESTED

In PY'05 the Virgin Islands requested and was granted the following waivers. The Territory is requesting an extension of these waivers for Program Years 2007 and 2008.

❑ Funds transfer between Adult and Dislocated Worker funding streams to be increased from 20% to 40%

Rationale

The territory's unemployment rate although still higher than the national rate has been slightly reduced from 6.2% in January '06 to 6.0% in January '07. As more workers enter and remain in the system the goal is to retain them in the workforce as long as possible and move them up the career ladder. This opens the way for more entry-level first time workers who will need either one or a combination of intensive type training and/or occupational skills training. Individuals that have limited English proficiency and individuals who opt for non-traditional training are two groups that have been targeted to benefit from the additional funds that are made available through this waiver.

The entered employment and retention rates are impacted by this waiver as it allows more time and funds directed into up front training and once employed, individuals are qualified to perform the tasks given therefore increase their chances of upward mobility.

❑ Prohibition on Individual Training Accounts for Older and Out of School Youth to be lifted.

Rationale

The new strategic vision for Youth places its emphasis on the neediest youth, particularly older youth, out-of-school youth, youth offenders, youth aging out of foster care, and children of incarcerated parents. The Territory has positioned itself so that youth will have access to additional resources that may not be readily available with only the youth funding stream including alternative education, apprenticeship programs and work experience in occupational areas all which can lead to a career path in high growth occupational areas.

Measures that are impacted through this waiver include the entered employment, retention, credentials and literacy rates. Youth have the opportunity through more customer choice to complete higher educational goals, obtain a skill in an occupational area of demand, and become gainfully employed in an entry level position possibly while still being trained.

These waivers have only just begun to take effect since approval was only given last year however; all indications are that they will prove beneficial to the overall development of the system.