

USE OF STATEWIDE RAPID RESPONSE AND LOCAL DISLOCATED WORKER 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) statewide reserve funds and 134 (d)(4)(A) local dislocated worker funds to permit the use of a portion of the funds to provide incumbent worker training.

The Virgin Islands request an extension of the waiver that allows funds reserved for rapid response activities be waived to allow up to 20% to be used for incumbent worker training and a new waiver to allow up to 20% of local dislocated worker funds 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); and

WIA 133(b)(5)(A)(ii) Dislocated Workers – Funds allocated under paragraph (2)(B) shall be used by a local area . . .to pay for employment and training activities provided to dislocated workers in the local area, consistent with section 134.

Intended Goals and Outcomes

Employment sectors vital to the viability of the US Virgin Islands' economy are driven to keep their workforce current on new applications, changes in procedures and the ever changing technology. Failure to remain competitive is likely to result in mass layoff or plant closure. It is imperative that employers have options to avert layoffs or plant closures. One option is that of retraining the current workforce to meet the growing needs of business. This may require new skills or advanced skills enabling an employee to multi task within an organization. For the employee, simply to remain employable may require the attainment of new skills and/or credentials. The Virgin Islands Service Delivery Area intends to use these waivers as one lay-off aversion strategy employers can utilize as they strive to remain in business.

Individuals/Groups Affected

In its discussion of workforce priorities the Workforce Board speaks to the refocusing of formula funds to address the needs of incumbent workers with continuing education, training and certification programs that advance career development. Incumbent

workers must be given the means to continually advance in skill and position. These waivers will allow the workforce system to assist the effort in high demand occupations.

Inhibiting State and Local Statutes/Regulations

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

Measures Affected

The measures affected by these waivers include Employment Retention and Average Earnings. The workforce system has seen marked requests for incumbent worker training in the past two years as employers strive to keep the businesses operational and efficient. As employees attain skills that give them a competitive edge in their occupation, they become more valuable to employers. Advancement in skills and responsibility also lead to increased earnings and transferability of skills should the need arise.

Attachment: Layoff Aversion Plan

US VIRGIN ISLANDS LAYOFF AVERSION PLAN

Purpose: To keep the workforce pipeline in motion while accommodating current workers, new entrants and employers in uncertain economic times.

Background: The US Virgin Islands by virtue of its geographical location, size and economic situation has limited employment opportunities. Traditionally, workers who are employed tend to remain employed – barring unforeseen circumstances – because there are limited opportunities to transfer between companies or similarly skilled occupations. Having identified employment sectors both stable and projected for growth, ensuring upward mobility within that sphere is the only chance for economic survival. Recognizing that Workforce System customers are job seekers as well as employers, steps have been taken to address the needs of both: proficiency at workplace skills; maintenance of a competitive edge in the economic market, respectively.

Policy: An employer or group of employers may request funds for Incumbent Worker Training as part of a layoff aversion strategy caused by undue economic hardships within a given sector or because of significant changes in the nature of an industry. Funds will be available in the amounts of \$5,000 - \$20,000 per employer/organization within a calendar year. Incumbent worker funds are solely for the purposes of providing training that upgrades employee skills levels or introduces new occupational skills required for an employee to remain effective in his/her position.

Target Industries: There are many pockets of industry within the US Virgin Islands however; few contribute substantially to the economic viability of the community. Those that have are now under siege because of adverse market conditions. All attempts are being made to ensure their sustainability during this fragile economy, and priority for Incumbent Worker training funds will be given to them. Those industries are:

Manufacturing, Hospitality, Healthcare and Construction.

Type of Training: The training involved will include a mix of classroom training, technology-based learning and on-site training. Since the audience is already employed training will be industry specific and may occur wholly at the workplace. Training will be on an advanced level and must result in both employer and industry recognized credentials. Professional level certification (where applicable) resulting in degree attainment is sought for professional services as in the healthcare field.

One-Stop Career Services: Incumbent workers will be eligible to receive additional One-Stop services consistent with possible job disconnection. Since training will take place as a layoff aversion strategy, it is possible that a lay-off or partial lay-off may still occur. To ensure that workers are prepared for any type of transition, they will have access to workshops on Resume Enhancement, Budgeting, and Time Management. Incumbent worker customers will also have access to career counseling to help them identify 'next steps' in building careers. This will allow them to define skill sets, especially those that may be transferable to other occupations, and restructure their career goals to include additional/advanced academic or occupational skills training. Additionally, customers will have access to general One-Stop services to include information on Unemployment Insurance, Job Search and Training activities.

Services from Other Partners: Incumbent workers as customers of the system will have access to the services from other One-Stop partners as necessary. These will include but are not limited to Unemployment Insurance, Vocational Rehabilitation, and Veterans Services.

Employer Selection Criteria

In order to be eligible for consideration for Incumbent Worker Training funds, an employer must show a general economic decline in a named sector, and:

- Should demonstrate economic instability which will likely lead to the termination of employees;
- Should demonstrate the changing nature of the industry, which renders the current skill level of employees obsolete;
- Should have notified the local Department of Labor of intent to layoff (provide WARN notices where applicable), or intent to reduce hours; and
- Submit a training proposal.

Proposal Details

Employers must submit a proposal to the WIB showing that this method is part of an overall strategy aimed at mitigating staff lay-offs. Proposals must contain information that:

- Details the type of training proposed;
- Determines which staff is eligible for the training;
- Details the expected results sought at the completion of training;
- Specify type of credential/certificate earned at the completion of training;
- Commitment to retain at least 70% of employees trained; or
- Commitment to retain trained employees at a higher wage;

Additional Conditions/Assurances

- Upon approval of the grant, training must begin within thirty (30) days.
- Advanced level training must result in industry-recognized credentials transferable throughout the industry.
- One-Stop staff will monitor all training with reports submitted to the VI Department of Labor and the Workforce Investment Board.
- All funds will be tracked by funding stream.
- The results of any training conducting under Incumbent Worker Training funds are subject to performance reporting in the WIASARD.

The Workforce Investment Board will monitor the use of these waivers in the Territory and document the overall and specific effects on the workforce system. The Plan will be posted for review and comment by the general public as is consistent with Section 111 (g) of the Workforce Investment Act of 1998.
