

WORKFORCE INVESTMENT BOARD PROCEDURE GUIDELINES

TO: Virgin Islands Single State Workforce Investment Area

SUBJECT: APPROVED WIA WAIVERS FOR THE VI WORKFORCE INVESTMENT SYSTEM FOR PROGRAM YEAR 2011

Purpose: To establish the use of Waivers in the daily operation of the VI Workforce Investment System

References: Workforce Investment Act of 1998; 20 CFR 652 et al.; Wagner-Peyser Act as amended; TEGL 17-05; TEGL 21-09; TEGL 26-09; and TEGL 30-09

Background: The Workforce Investment Act of 1998 (WIA) has evolved during its years of operation into a dynamic talent development system rather than simply a job training program. Increased flexibility has been afforded to states by implementing reforms to the workforce development system. In order to take advantage of this flexibility USDOL has authorized states to apply for waivers that allow local areas to partake in the flexibility needed to operate their systems in a more efficient manner.

There VI Workforce Investment System is approved for eight waivers for Program Year 2011 which, begins July 1, 2011 and ends on June 30, 2012. All of these waivers have been extended from Program Year 2010.

The first waiver provides flexibility in the use of funds directly benefitting the customers served most often in the Virgin Islands.

- *Funds transfer authority for up to 50% between the Adult and Dislocated Worker funding streams*

The second waiver allows for flexibility in serving our youth customers.

- *The use of Individual Training Accounts for older and out-of-school youth program participants*

The third and fourth waivers address the method of program reporting and provide relief under certain conditions for collecting reporting data.

- *Use of Common Measures Only*
- *Data Collection Relief for Incumbent Workers*

The remaining four waivers are beneficial for providing incentives to the employer customers and to facilitate incumbent worker training opportunities.

- *Use of Rapid Response Funds for Incumbent Worker Training*
- *Use of a portion of Local Funds for Incumbent Worker Training*
- *Sliding Scale Match for Customized Training*
- *Graduated Scale Reimbursement for OJT's*

The following analysis is meant as a guide for application of these waivers in daily operations. There is no hard and fast rule for these applications to be used only as described. As with all WIA policy, it is important to remember that performance is the driving factor in designing or administering any service. If the waivers can be used to increase performance in an area that is hard to work with then it should be applied. If there is no benefit to applying the waiver it should not be used and other methods of administration should be sought.

WAIVER BREAKDOWN

❑ *Waiver of WIA Section 133(b) (4) to increase the allowable transfer amount between Adult and Dislocated Worker funding streams allocated to a local area. Up to fifty (50%) percent of adult and dislocated worker funds may be transferred between funding streams.*

This waiver is used mainly to supplement the Adult funding stream although funds are transferable either way. The VI Workforce system typically serves more adults than dislocated workers therefore available funds transferred to the adult funding stream allows for more customers to receive intensive and training services.

❑ *Waiver of the prohibition at 20 CFR 664.510 on the use of Individual Training Accounts for older and out-of-school youth.*

This waiver allows for the use of youth funds as ITA's for older and out-of-school youth eligible to participate in academic and occupational skill training activities that are not available in-house or through RFP generated services. ITA's must be tracked and reflected in the Individual Service Strategies for Youth and recorded in a timely manner in the operating system. All ten program elements for Youth as described in WIA Section 129(c) (2) must continue to be made available to youth.

❑ *Waiver to permit the State to replace the performance measures at WIA Section 136 (b) with the common measures*

Statutorily, there are seventeen measures that must be reported on to evaluate WIA performance. These seventeen measures include customer satisfaction from both employer and participant customers plus multiple measures for adults, dislocated workers and youth in two categories. This waiver reduces the number of measures to be reported to six – three for adults

and dislocated workers and three for youth. This reduces the burden of reporting numerous measures however; the most critical one of entered employment is still required all categories. Other measures for adult/dislocated workers are employment retention and average earnings. For youth, the measures are placement in employment or education, attainment or a degree or certificate and literacy and numeracy gains.

❑ *Waiver of 20CFR 666 and 667.300(a) to reduce the collection of participant data for incumbent workers.*

Anyone using WIA funds for training are subject to performance reporting which includes reporting eligibility information on the WIASRD. Previously, funding incumbent worker training was difficult because many did not meet the eligibility requirements under WIA. With the move toward more services for incumbent workers, some eligibility requirements have been relaxed. This waiver serves to reflect incumbent worker training activity in WIASRD reporting. Seven data elements have been discontinued when reporting participant data for incumbent worker training **only**. Those elements include the following: single parent (117), unemployment compensation eligible status at participation (118), low income (119) TANF (120), public assistance (121), homeless individual and/or runaway (125) and offender (126). The collection and reporting of information on incumbent workers trained with WIA funds for adults and dislocated workers for the WIASRD Section II, Program Activities and Services Information, and Section III, Program Outcomes Information, is still required in order to account for the use of funds.

❑ *Waiver of WIA Section 134 (a) (1) (A) to permit a portion of funds reserved for rapid response activities to be used for incumbent worker training – up to twenty (20%) percent.*

Previously, rapid response funds could only be used for services to individuals affected by disasters, impending lay-offs, mass lay-offs or plant closings. This waiver expands the use of these funds to provide training services to incumbent workers *ONLY* as part of an employer's lay-off aversion strategy. All training delivered under this waiver is restricted to skill attainment activities. Performance outcomes for any incumbent worker activity under this waiver must be reported in the WIASARD, field 309.

❑ *Waiver of WIA Section 134 (a) to permit local areas to use a portion of local funds for incumbent worker training.*

As with the rapid response funds, a portion of both Adult and Dislocated Worker funding streams – up to ten (10%) percent of each – may be used for incumbent worker training *ONLY* as part of an employer's lay-off aversion strategy. All training under this waiver is restricted to skill attainment activities. Use of Adult funds is restricted to serving lower income adults under this waiver. Performance outcomes for any incumbent worker activity under this waiver must be reported in the WIASARD, field 309.

- ❑ *Waiver of the required 50 percent employer contribution for customized training at WIA Section 101 (8) (C).*

In order to encourage small businesses to take advantage of training opportunities, the required 50% employer match is waived in certain circumstances. Customized training is permitted on the following sliding scale: 1) no less than 10% match for employers with 50 or fewer employees, and 2) no less than 25% match for employers with 51-250 employees. For employers with more than 250 employees the 50% employer match is still applicable.

The appropriate funding streams remain applicable when applying this waiver. Individuals eighteen (18) years and older must be served with Adult funds and must provide priority to low-income adults; individuals eligible as dislocated workers must be served with dislocated worker funds.

- ❑ *Waiver of WIA Section 101 (31) (B) to increase the employer reimbursement for on-the-job training.*

To further promote small business participation in the Workforce System, the 50% required match for OJT's has also been waived in certain circumstances. The following reimbursement amounts are permitted: 1) up to 90% for employers with 50 or fewer employees, and 2) up to 75% for employers with more than 51-250 employees. For employers with more than 250 employees the fifty (50%) percent statutory requirement still applies.

The appropriate funding streams remain applicable when applying this waiver. Individuals eighteen (18) years and older must be served with Adult funds and must provide priority to low-income adults; individuals eligible as dislocated workers must be served with dislocated worker funds.

WIB 8/2011