



December 28, 2020

The Honorable Albert Bryan, Jr.
Governor of the U.S. Virgin Islands
Government House
5047 (21-22) Kongens Gade
St. Thomas, VI 00802

Dear Governor Bryan:

Thank you for your waiver request submission to the U.S. Department of Labor (Department) regarding certain statutory and regulatory provisions of the Workforce Innovation and Opportunity Act (WIOA) and the accompanying plan to improve the statewide workforce development system (enclosed). The waiver requests were received on October 9, 2020. This letter provides the Employment and Training Administration's (ETA) official response to your requests and memorializes that the U.S. Virgin Islands (USVI) will meet the outcomes and implement the measures identified in its plan to ensure accountability agreed to by the USVI and ETA. This action is taken under the Secretary's authority to waive certain requirements of WIOA Title I, Subtitles A, B, and E, and Sections 8–10 of the Wagner–Peyser Act in WIOA Section 189(i).

Requested Waiver: Waiver of the requirement that local youth programs provide each of the 14 youth program elements required under WIOA Section 129(c)(2).

ETA Response: This waiver is not necessary. USVI has the flexibility to provide the services needed by participants. As discussed in the WIOA regulation at 20 CFR 681.460, local programs must make each of the 14 program elements available to youth participants, but they do not need to provide all program elements to all youth participants. Further, as discussed in 20 CFR 681.420, local programs develop an individual service strategy based on the needs of each youth participant. The Territory can provide the specific services that best address the immediate needs of youth without requesting a waiver to do so. Also, ETA programs allow states' flexibility to offer the best method for delivering program services, including virtual services, if necessary. However, security of customer data and its transmission, as well as ease of customer access, must be factors considered when virtual services are offered.

Requested Waiver: Waiver of the requirements to conduct evaluations of workforce investment activities for adults, dislocated workers, and youth at WIOA Sections 134(a)(2)(B)(vi) and 129(b)(1)(A).

ETA Response: ETA approves the Territory's waiver request through June 30, 2021, to coincide with the Territory's anticipated readiness to conduct evaluations. ETA reviewed the Territory's waiver request and has determined that the requirements requested to be waived impede the ability of USVI to implement its plan to improve the workforce development system. ETA can provide technical assistance regarding lower-cost evaluation options and other acceptable evaluation activities.

Requested Waiver: Waiver of WIOA Section 134(c)(3)(H)(i) and 20 CFR 680.720(b) in order to increase on-the-job training (OJT) employer reimbursement up to 90 percent for businesses with 50 or fewer employees.

ETA Response: ETA approves the Territory's waiver request through June 30, 2022, for the WIOA Title I Adult, Dislocated Worker, and Youth formula funds. ETA reviewed the Territory's waiver request and plan and has determined that the requirements requested to be waived impede the ability of USVI to implement its plan to improve the workforce development system.

Existing statutory authority permits the Territory to increase the reimbursement rate for OJT contracts up to 75 percent. The Territory may also reimburse up to 90 percent for OJT for businesses with 50 or fewer employees. ETA expects the utilization of OJT to increase in the Territory as a result of this waiver.

Requested Waiver: Waiver of the obligation of eligible training providers (ETP) to report performance data on all students in a training program at WIOA Sections 116(d)(4)(A) and 122 and 20 CFR 677.230(a)(4) and (5) and 20 CFR 680.430(b)(5).

ETA Response: ETA approves the Territory's waiver request through June 30, 2021. ETA reviewed the Territory's waiver request and plan and has determined that the requirements requested to be waived impede the ability of USVI to implement its plan to improve the workforce development system. The Territory must provide information regarding how the Governor will take into account the outcomes of all students in an ETP program of study, with respect to their employment and earnings, as required for the demonstration of continued eligibility in 20 CFR 680.460(f)(1)(iii) and WIOA Section 122. The Territory will continue to collect and report data for all WIOA-funded participants in accordance with all statutory and regulatory requirements, including WIOA Sections 116 and 122, and as specified at 20 CFR 677.230 and 680.460. While ETA recognizes the importance of informing consumer choice through the provision of quality data on training outcomes, we also recognize that the systems to collect the required performance data from providers take time to develop and implement in a way that maximizes training provider participation, which is a critical component of the workforce development system. Starting July 1, 2021, the Territory's obligation to report performance data on all students in a training program will be reinstated.

The Territory must report its waiver outcomes and implementation of the approved waivers in the WIOA Annual Report. ETA will use this information to assess continued waiver approval and to identify promising practices that may be adopted more widely. ETA is available to provide technical assistance to you in support of your goals. The Department proposed

additional flexibility in its budgets for Fiscal Years 2018 through 2021 to give governors more decision-making authority to meet the workforce needs of their states. If you have questions, feel free to contact my office at (202) 693-2772.

Sincerely,

A handwritten signature in blue ink, appearing to read "John Pallasch". The signature is fluid and cursive, with the first name "John" being more prominent than the last name "Pallasch".

John Pallasch
Assistant Secretary for Employment and Training

Enclosure

cc: Gary Molloy, Commissioner, U.S. Virgin Islands Department of Labor
Leo Miller, Regional Administrator, Employment and Training Administration
AnneMarie Fasulo, Federal Project Officer, Employment and Training Administration

U.S. Virgin Islands Waiver Submission

Waiver #1: Waive 14 Youth Program Elements

1. The statutory and/or regulatory requirements the State would like to waive.

Waiver of the requirement under WIOA Section 129 (c)(2) to provide the 14 Youth Program Elements.

2. Actions the State has undertaken to remove State or local barriers.

There is no State or Local Statutory barrier for the implementation of the proposed waiver. State Strategic Goal(s) and Department of Labor priorities supported by the waiver. The ultimate goal of the Virgin Islands Workforce System is to prepare individuals for work; for them to be properly prepared to enter into the workforce; engage in learning while working; and to develop career goals based on actual experience. This waiver allows young adults to immediately focus on attaining the outcome through relevant experience. It also opens doors for them to subsequently access advanced education and training needs to master the preliminary skills learned through the opportunities afforded by emphasizing work-based on-the-job learning opportunities such as internships, work experience, on-the-job training and registered apprenticeship.

USDOL supports work-based learning in many variations. This waiver allows for the focus to be on work-based learning in several high-demand sectors. The remaining youth program elements will be infused as much as possible into the learning experiences. Employers will be encouraged to work with case managers on other needs that may arise for specific customers.

Work Based Learning and an immediate attachment to the labor market is important given the current high level of unemployment for you in the labor market of the VI. The emphasis and prioritization is to implement immediate attachment to work through direct placements and for those that can benefit through work-based learning for youth through work experience (both paid and unpaid), internships, mentoring, On the Job Training and Apprenticeship. Focus will be on key sectors of the VI labor market including but not limited to health care, education, government, accommodation and food service, utilities and information technology.

The VIDOL is currently focused on ensuring unemployment insurance claimants are receiving services and payments. While enrolled in WIOA youth programs and the work-based learning components, the VIDOL will make available and provide through their staff paid and unpaid work experience, occupational skills training, education concurrent with workforce preparation, leadership development, supportive services, adult mentoring, labor market information, financial literacy, supportive services, and post-secondary education and training and follow up services.

VIDOL will reach out to partners to provide tutoring, alternative secondary school and entrepreneurial services., and guidance and counseling. The partners will also provide

complementary services of the 14 elements provided by VIDOL. These partners will include University of the Virgin Islands, Small Business Development Center, Virgin Island Economic Development Authority and the Virgin Islands School District. Given the impact of Covid 19 and the two category 5 hurricanes still impacting the Virgin Islands, the partners are prioritizing their own activities at this time. Based upon the experience from the 2017 hurricanes in October 2017 (See chart above) where unemployment gradually fell, VIDOL expects a similar response to the Covid-19 employment. Youth are particularly hard hit in their level of unemployment and focusing on their entry to the labor market is a key priority.

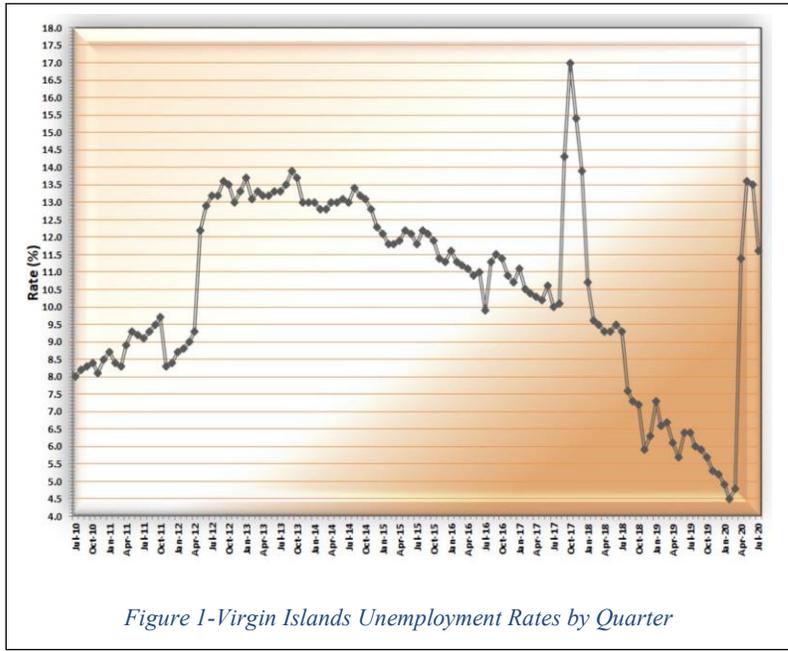


Figure 1- Virgin Islands Unemployment Rates by Quarter

The VI has continued to support the Jobs for American Graduates program to serve you and help address some of the 14 required elements. As the VI reviews and updates the provision of Title I services, VIDOL will continue to explore and make available the 14 services either in person, virtual or online as soon as possible.

3. State strategic goal(s) and Department of Labor priorities (i.e. expansion of apprenticeship, improved employer engagement, etc.) supported by the waiver.

There are many work opportunities available for older and out of school youth as a result of reconstruction projects scheduled to take place in the territory. Young adults will enter employment, retain employment over several quarters and develop a work and wage history as a result of focusing on targeted program elements.

Efforts will be made to make use of every technological opportunity to provide virtual services that were previously unavailable to those without access to transportation to ensure that they can fully participate in the new world of work. The labor market prospects on 2020 graduates and their potential career opportunities is grim, therefore, they must be able to access more educational opportunities so they can continue with their educational pursuits. Working with the UVI Center for Excellence to provide short courses and certification programs will boost their labor and educational skills.

For example, currently the construction industry has large gaps in laboring and other entry level positions appropriate for out-of-school youth. With the emphasis on work-

based learning and placement, the youth can immediately attach to the labor market. In the technology field, the VI is one of the initial focus areas of the Department of Labor sponsored Youth Apprenticeship Intermediary Grants, specifically ICF's Cyber Youth Apprenticeship Initiative. The Workforce Development Board, VIDOL and the VI Economic Development Authority and the University of the Virgin Islands will collaborate to expand the IT and Cyber Security Registered Apprenticeship and other IT related opportunities for youth age 14-24 (and for the CYAI age 16-21). Using the construction industry and the information technology as a template, this focus on the ultimate career pathway to include Registered Apprenticeship the VI will develop a career pathway for youth.

VIDOL will reach out to partners to provide tutoring, alternative secondary school and entrepreneurial services. These partners will include University of the Virgin Islands, Small Business Development Center, Virgin Island Economic Development Authority and the Virgin Islands School District. Given the impact of Covid 19 and the two category 5 hurricanes still impacting the Virgin Islands, the partners are prioritizing their own activities at this time.

4. Projected programmatic outcomes resulting from implementation of the waiver;

Programmatic outcomes resulting from the implementation of this waiver include an increase in youth participating in Earn/Learn work-based learning opportunities and immediate attachment to the labor market. The VIDOL will couple the work-based learning with appropriate assessment, career pathway planning, work-based learning and credential attainment to ensure the youth receive maximum benefit.

5. Individuals, groups or populations benefitting from the waiver;

Out-of-School youth will benefit with focus on those with significant barriers including those not completing post-secondary education, those lacking successful work history, individuals with disabilities, individuals engaged with the justice system, and lacking appropriate work skills.

6. How the State plans to monitor waiver implementation, including collection of waiver outcome information?

The Planning, Research and Monitoring Unit at the VI Department of Labor will conduct regularly scheduled reviews of the effectiveness of this waiver. Also, performance data collection through the State's MIS system will be analyzed to determine any patterns that result from usage.

7. Assurance of State posting of the request for public comment and notification to affected local workforce development boards.

The waivers will be posted for review and comment on the VI Workforce Development Board and VI Department of Labor's websites.

- 8. The Secretary may require that States provide the most recent data available about the outcomes of the existing waiver in cases where the State seeks renewal of a previously approved waiver.**

Waiver #2: Waive the Requirements to Conduct Evaluations for WIOA Programs

- 1. The statutory and/or regulatory requirements the State would like to waive.**

Waiver of the requirement under WIOA Section 129 (b)(1)(A) and 134 (a)(2)(vi); Section 116 (e) and Section 169 (a) to conduct evaluations for workforce activities.

- 2. Actions the State has undertaken to remove State or local barriers.**

There is no State or Local Statutory barrier for the implementation of the proposed waiver.

- 3. State strategic goal(s) and Department of Labor priorities (i.e. expansion of apprenticeship, improved employer engagement, etc.) supported by the waiver;**

The Virgin Islands' Workforce System is built upon a network of providers, employers and partners. In order for the system to perform, all need to work in tandem with each other to offer a seamless experience for the customer. The Workforce Board encourages continuous improvement within the Workforce System and thus conducts annual evaluations of different components of the system infrastructure caused by COVID-19, therefore, programs and outcomes cannot be fully measured. Given the limited WIOA funds available and the resultant limited staff of the WDB, the Board relies on the continuous reporting and continuous improvement to address this information.

USDOL priorities also speak to continuous improvement of the workforce system based on data gathered from partners, providers and employers. This waiver is necessary to allow for the strengthening of education and training strategies and improving job and career results.

The Workforce Development Board through and as part of its Strategic Planning Committee is implementing a quarterly meeting schedule that includes a dashboard of key performance factors that regularly inform the Board, the Governor and other stakeholders of the outcomes, successes and challenges of the various mandated and key partner programs. The WDB will provide for a quarterly update and an annual evaluation of the various critical components. There is a critical need for ongoing evaluation to best assess the dramatic impact of the Covid-19 Coronavirus on the economy of the Virgin Islands.

The Governor has also appointed an Apprenticeship Training Council and has established an initial Registered Apprenticeship in the Maritime Industry. With the recent receipt of Tier I Apprenticeship Expansion grant, the VI will be expanding the availability and opportunity for apprenticeship.

The Workforce Development Board, in cooperation with the Apprenticeship Training Council, will regularly evaluate the various workforce development programs aligned through WIOA and its partner programs. This evaluation will serve to strengthen the collaborative response of the partners and also serve as an evaluation for the Board.

4. Projected programmatic outcomes resulting from implementation of the waiver;

By waiving the requirements to conduct evaluations at this time, all entities of the system will be able to concentrate on focusing their processes due to the current but long-term impacts of Covid 19 and the continuing impacts of the two category five hurricanes, both individually and collectively while keeping the functions of the overall system in mind.

This will allow the Board to focus and prioritize on immediate needs of the labor force (due to Covid 19 and lingering impacts of the hurricanes) while planning for longer-term activities to address those with significant barriers and incorporate additional activities (such as Registered Apprenticeship) to the mix of job seeker and employer services.

Assist with job search and career development by providing greater access to technologies; partner with the Small Business Development Center (SBDC) and UVI Center for Excellence to provide additional resources, training programs and short courses.

5. Individuals, groups or populations benefitting from the waiver;

All job seekers will benefit, however the VI Workforce Development Board has identified priority populations to serve and target including but not limited to those recently laid off from impacted sectors in order to complete a rapid re-attachment to the labor force. The VI Workforce Development Board will also target (for both rapid re-attachment and for those with significant barriers to employment) those with significant barriers including those not completing post-secondary education, those lacking appropriate skills and/or successful work history, individuals with disabilities, individuals engaged with the justice system, and those that may be long-term unemployed.

6. How the State plans to monitor waiver implementation, including collection of waiver outcome information?

The Planning, Research and Monitoring Unit at the VI Department of Labor will conduct regularly scheduled reviews of the effectiveness of this waiver. Also, performance data collection through the State's MIS system will be analyzed to determine any patterns that result from usage.

7. Assurance of State posting of the request for public comment and notification to affected local workforce development boards.

The waivers will be posted for review and comment on the VI Workforce Development Board and VI Department of Labor's websites.

- 8. The Secretary may require that States provide the most recent data available about the outcomes of the existing waiver in cases where the State seeks renewal of a previously approved waiver.**

Moving forward the Workforce Development Board in cooperation with the Apprenticeship Training Council will update and complete ongoing quarterly evaluations including the emphasis on Registered Apprenticeships as a significant role in work-based learning.

Waiver #3: Waive to Increase OJT Reimbursement

- 1. The statutory and/or regulatory requirements the State would like to waive.**

Waiver of the requirement under WIOA Section 134 (c)(3)(H)(i) and 20 CFR 680.720 (b) to increase the OJT reimbursement for employers.

During the current uncertainty in the labor market and economy, it is challenging for businesses to hire at this time. With the requested increase to 90% reimbursement for those with identified barriers to employment, the company and employer is much more willing to accept the individual(s) and provide the appropriate mentoring, training and education (including work maturity skills) to ensure success.

- 2. Actions the State has undertaken to remove State or local barriers.**

There is no State or Local Statutory barrier for the implementation of the proposed waiver.

- 3. State strategic goal(s) and Department of Labor priorities (i.e. expansion of apprenticeship, improved employer engagement, etc.) supported by the waiver;**

The Virgin Islands Workforce System seeks to enhance business engagement through a sector-based approach to workforce training. On-the-Job training is a tried and true method of work-based training especially in times of recovery from natural or other disasters. Employers need a strong workforce, but when one is not readily available, quick but effective turn around training is needed. The VI has seen a need for such activity especially in the construction industry. While general theoretical knowledge is necessary, learning through performance allows for a quick ramp up of the local workforce.

Employers are able to meet their objectives and job seekers are introduced to and learn to perform (by doing) in an actual work environment. For smaller companies who do not regularly have a large workforce on standby, this waiver allows them the opportunity to employ individuals who may still be dislocated from other employment, while still being able to use their limited resources for other critical aspects of job performance.

COVID-19 has restructured the workplace and learning. Modernization of the workplace and the methods used for learning must be prioritized to meet today's job demands. Employers are now faced with several new initiatives such as providing on the job medical screenings such as temperature checks, flexibility with the standard 9-5

office/business hours, fully automating their businesses to allow for virtual operational hours. Greater emphasis will be placed on closing the digital divide. Assisting current and new businessowners with sharpen their focus will be provided with partnerships with the

Small Business Development Center (SBDC). USDOL also prioritizes the need for work-based learning situations. It connects education and training strategies and fulfills the gaps in sector-driven demand areas.

4. Projected programmatic outcomes resulting from implementation of the waiver;

This waiver allows for smaller businesses to be more flexible with the use of their resources and increase their labor force thus making them more competitive for jobs often afforded to larger companies who are able to absorb the cost of a larger workforce. It also builds capacity for smaller companies by allowing for the use of local talent rather than having to undergo costly recruitment from off-island.

The Workforce Development Board anticipates an increase in performance in 2nd and 4th quarter exit as well as obtaining additional credentials and improving measurable skills gains.

5. Individuals, groups or populations benefitting from the waiver.

This waiver benefits both employers and job seekers. With an increased reimbursement percentage of 90%, employers are more willing to accept individuals with significant barriers to employment including those that lack significant skills (and may be significantly changing careers paths due to the Covid 19 impact), those with significant barriers including those not completing post-secondary education, those lacking appropriate skills and/or successful work history, individuals with disabilities, individuals engaged with the justice system, and those that may be long-term unemployed.

6. How the State plans to monitor waiver implementation, including collection of waiver outcome information?

The Planning, Research and Monitoring Unit at the VI Department of Labor will conduct regularly scheduled reviews of the effectiveness of this waiver. Also, performance data collection through the State's MIS system will be analyzed to determine any patterns that result from usage. The VI Workforce Development Board and the VI Department of Labor will also task the One Stop Operator as part of partner collaboration and integration to review the MOU and the level of integration and report the success (or lack of) to the Workforce Development Board.

7. Assurance of State posting of the request for public comment and notification to affected local workforce development boards.

The waivers will be posted for review and comment on the VI Workforce Development Board and VI Department of Labor's websites.

8. The Secretary may require that States provide the most recent data available about the outcomes of the existing waiver in cases where the State seeks renewal of a previously approved waiver.

VIDOL is supporting and assisting with the Trade and Economic Transition Dislocated Worker Grant called "Restoring Futures" that emphasizes On-the-Job Training and Customized Training for Dislocated Workers. Currently VIDOL has been successful with over 235 individuals placed with 16 employers (and increasing). Employers across diverse industries have embraced the OJT opportunity. With the impact of Covid 19 in the aftermath of the two hurricanes, many small businesses are still challenged with the successful re-opening especially given the uncertainty of the economy in general and hospitality, tourism and restaurant sector. Increasing the allowable percentage to 90% would incentivize smaller businesses to invest in individuals with barriers and reduce the risk of expanding their business in this uncertain time. This waiver would also provide an option to assist in expending resources effectively and efficiently.

Waiver #4: Waive obligation of ETP to collect & report on performance for all students

1. The statutory and/or regulatory requirements the State would like to waive.

Waiver of the requirement under WIOA Section 116 (d)(4)(A) and 122; 20 CFR 677.230 (a)(4) and (5) and 20 CFR 680.400-680-530 to collect and report on performance data for all students.

2. Actions the State has undertaken to remove State or local barriers.

There is no State or Local Statutory barrier for the implementation of the proposed waiver. Given the limited number of providers available, both traditional brick and mortar and online (and challenged by the impact of Covid 19 virus after the devastating impacts of two category 5 hurricanes) the obligations required of ETP to collect and report on performance of all students inhibits and reduces the number of available programs. The State understands that given the small populations and labor market and the transient nature of the students (many relocate to the United States mainland or to other islands in the Caribbean) in the VI makes this requirement very challenging and results in the limited providers available that are capable and willing to collect this data. The result is with this requirement in place the number of providers and their available occupational skill training is greatly reduced.

3. State strategic goal(s) and Department of Labor priorities (i.e. expansion of apprenticeship, improved employer engagement, etc.) supported by the waiver;

The Virgin Islands seeks to align workforce development with economic development in order to rebuild the capacity of sectors debilitated by Hurricanes Irma and Maria and COVID+19. The Territory has no trade schools or community college, therefore, most of

the training that occurs are provided by targeted provider training or by the local University. In order to maximize the resources of the University the reporting burden needs to be eliminated. Additionally, eligible training providers are most likely to partner with the workforce system if the reporting burden is alleviated.

USDOL priorities include sector-based training and consumer choice fueled by the availability of multiple providers. The workforce system's ability to attract high functioning training providers will reduce paperwork requirements is dependent on this waiver. The VI Workforce Development Board and the VI Department of Labor will also task the One Stop Operator as part of partner collaboration and integration to review the MOU and the level of integration and report the success (or lack of) to the Workforce Development Board.

4. Projected programmatic outcomes resulting from implementation of the waiver;

This waiver allows for smaller businesses to be more flexible with the use of their resources and increase their labor force thus making them more competitive for jobs often afforded to larger companies who are able to absorb the cost of a larger workforce. It also builds capacity for smaller companies by allowing for the use of local talent rather than having to undergo costly recruitment from off-island.

The Workforce Development Board anticipates an increase in performance in 2nd and 4th quarter exit as well as obtaining additional credentials and improving measurable skills gains.

5. Individuals, groups or populations benefitting from the waiver;

This waiver benefits both employers and job seekers. The VI Workforce Development Board, based on the impact of the Covid 19 pandemic coupled with the two category five hurricanes, has targeted individuals with significant barriers to employment including those that lack significant skills (and may be significantly changing careers paths due to the Covid 19 impact), those with significant barriers including those not completing post-secondary education, those lacking appropriate skills and/or successful work history, individuals with disabilities, individuals engaged with the justice system, and those that may be long-term unemployed.

6. How the State plans to monitor waiver implementation, including collection of waiver outcome information?

The Planning, Research and Monitoring Unit at the VI Department of Labor will conduct regularly scheduled reviews of the effectiveness of this waiver. Also, performance data collection through the State's MIS system will be analyzed to determine any patterns that result from usage. The VI Workforce Development Board and the VI Department of Labor will also task the One Stop Operator as part of partner collaboration and integration to review the MOU and the level of integration and report the success (or lack of) to the Workforce Development Board.

7. Assurance of State posting of the request for public comment and notification to affected local workforce development boards.

The waivers will be posted for review and comment on the VI Workforce Development Board and VI Department of Labor's websites.

8. The Secretary may require that States provide the most recent data available about the outcomes of the existing waiver in cases where the State seeks renewal of a previously approved waiver.

The previously approved waiver was to ensure that the maximum availability of ITA's could be achieved. Based on the most recent data, ITAs have remained steady. In order to continue the access to ITA activity in light of the additional burden forced upon the VI by COVID 19, the VI State Workforce Development Board must continue this waiver in order to provide access to the ITAs and as efficiently as possible expend the resources available.

U.S. Virgin Islands Waiver Submission Follow-Up Information as Requested

1. Waiver Request #2: Waiver of the requirement under WIOA Section WIOA Section 129 (b)(1)(A) and 134 (a)(2)(vi); Section 116 (e) and Section 169 (a) to conduct evaluations for workforce activities.

- **Please provide an explanation of how LMI funds could not be used to fulfill this requirement.**

During the second quarter and third quarters of PY 20 (October 2020 through March 2021) the WDB will research effective practices, in cooperation and collaboration with the DOL, from other State WDB's and then assess the readiness and collect the information from various partners and programs.

- **Please provide information regarding steps VI will take to no longer need this waiver and conduct evaluation in PY21**

The WDB is currently engaged with completing the waiver request, completing the response to the WIOA Plan and completing the Annual Report during the second quarter of PY 20 (October through December 2020) quarter. Upon completion of those projects, the WDB will conduct workforce review and complete the template for the evaluation during the third quarter of PY 20 (January through March 2021) and test this with various partners and programs during the fourth quarter of PY 20 (April through June 2021). The WDB will be prepared to implement the evaluation effective the start of PY 21 (July 1, 2021)

- **As a renewal - what were the cost savings associated with the approval of this waiver previously? (VI received approval for this waiver in January of 2019)**

The WDB did not have the capacity to complete the evaluation due to the overwhelming impact of the two category 5 hurricanes and the resultant additional

grant solicitation, support and management. The cost savings were achieved based upon staff spending what limited time was available in managing the additional resources provided due to the disaster recovery and worker dislocated associated with the hurricanes. With the staff turnover on the Board, the current staff was then impacted by Covid during CY 2020. Staff have now been in place and with additional technical assistance provided will be prepared to implement this evaluation starting with PY 21.

2. Waiver Request #3: Waiver of the requirement under WIOA Section 134(c)(3)(H)(i) and 20 CFR 680.720 (b) to increase the OJT reimbursement up to 90% for employers.

- **Does the state and/or local board have a policy or process in place to ensure that only employers with a history of retaining OJT participants at the end of training will be provided the higher reimbursement rate?**

The VI Department of Labor and the Workforce Development Board are currently developing a policy to ensure that employers that have experience in any work-based learning (including but not limited to Internships, Paid Work Experience, On-the-Job Training (OJT) and Registered Apprenticeship) is successful at retaining WIOA participants. The VI Department of Labor with WIOA Title I funds has not offered OJT to employers. The Virgin Islands was fortunate to obtain a Trade and Economic Transition National Dislocated Worker Grant with the cooperation and assistance of ICF, Inc. This program is called “Restoring Futures”. ICF has currently and successfully enrolled over 200 individuals in On-the-Job Training with over 20 employers in the Virgin Islands. They have developed a process to ensure successful enrollment of dislocated workers with appropriate employers in a diverse group of employers. The WDB will utilize and work with ICF to build upon their experience to establish an OJT (and eventually a full work-based learning) application where the employer provides an indication of their workforce training plans. This will then be compared to the experience with VIDOL sponsored programs (including Restoring Futures) based upon the employer performance as noted in VIEWS. If the employer is not experienced with any work-based learning, the application will include a review of the employer’s commitment to training and learning by working. This application will then be approved by the Workforce Development Board Director or his/her designee.

- **Please indicate whether the local area(s) have received permission from the Governor to use the higher (75%) reimbursement rate, per WIOA Sec. 134(c)(3)(H)(i)(I) and 20 CFR 680.730.**

The Governor is considering permitting the higher 75% reimbursement rate per WIOA Sec. 134(c)(3)(H)(i)(I) and 20 CFR 680.730 based upon (a) the WDB determining the characteristics of the participants as defined in WIOA Section 3(24), (b) the size of the employer, based on the CareerOne Stop (<https://www.careerinfonet.org/oview6.asp?id=&soccode=&nodeid=12&stfips=78&from=State>) (the WDB is recommending employers of 100 employees or less for reimbursement up to 75%; employers with 50 or fewer employees reimburse up to 90%), (c) increasing the percentage based on the quality of employer provided training and advancement leading to an industry-recognized credential. The WDB and Governor will review this periodically to both document this activity and also

determine any additional factors as allowed in 20 CFR 680.730.

- **The request mentions small employers but does not appear to limit the higher requested rate to only small employers. Does VI intend to limit the 90% rate to only those employers with 50 or fewer employees as they did under their previous approval?**

Based on the size of employers in the Virgin Islands (as referenced in <https://www.careerinfonet.org/oview6.asp?id=&socode=&nodeid=12&stfips=78&from=State>) the VI has an overwhelming preponderance of employers of less than 50 employees, therefore, the WDB will provide the 90% reimbursement to those employers with 50 or fewer employees at the time of application to the OJT (or other work-based learning) programs.

- **As a renewal – Please provide data showing any successes or challenges associated with the prior approved waiver. (January, 2019)**

The US Virgin Islands was awarded a Training and Economic Transition National Dislocated Worker grant in partnership with ICF. This project is titled “Restoring Futures”. This is the only recent experience the VIDOL has with On-the-Job Training. Restoring Futures has demonstrated successful On the Job Training with currently having enrolled over 230 individual dislocated workers with over 20 diverse employers. This has demonstrated the acceptability of and value of OJT in the Virgin Islands. The ICF will transition this experience and knowledge to VIDOL and its partners during this project.

3. Waiver Request #4: Waiver of the requirement under WIOA Section 116 (d)(4)(A) and 122; 20 CFR 677.230 (a)(4) and (5) and 20 CFR 680.400-680-530 for ETPs to collect and report on performance data for all students.

- **Please discuss how the state intends to use all student data for purposes of continued provider eligibility.**

The WDB will request (as is currently the policy) all comprehensive data on all students as part of the eligibility and evaluation for acceptance onto the Eligible Training Provider List (ETPL). Given the small size of the Virgin Islands labor market, it is challenging to attract a large number of providers. However, the WDB will solicit from current providers, from off-site providers that may be able to provide education and training virtually, and from those that may provide a hybrid model of online learning with local providers. Should a potential applicant provider be totally virtual and not with a location and/or knowledge of the distinct opportunities of the VI Labor Market, they will be required to provide the research, labor market information and related commitment demonstrating their ability to meet and exceed the required and desired outcomes. The WDB may negotiate a performance related payment structure or review the partnering with local organizations to ensure the investment of resources is appropriate.

- **Please provide a plan for improving data collection efforts to eventually not need the waiver as per TEGL 8-19.**

By July 1, 2021, all providers approved and accepted for the Eligible Training

Provider List with the WDB will and must meet the data collection requirements. As with the evaluation completed by the WDB, the Board will use the months leading up to the start of the next program year to meet with current and potential providers to identify the collection requirements in accordance with TEG 8-19 and work collaboratively to complete the collection of the information. If that is not possible, the WDB will explore alternatives to the data collection that may include additional waiver consideration, contract based cohort type training or increasing employer based training while always ensuring the WIOA job seeking customer maintains individual choice.

- **As a renewal – Please provide evidence of positive outcomes as a result of the previously approved waiver. (January, 2019)**

The WDB has experienced an increase in the providers on the Eligible Training Provider List (ETPL) during this time of waiver. With the increased challenges provided by the two category 5 hurricanes and the extreme dislocation collecting the data reduced the number of providers but the waiver resulted in maintaining and expanding the number. Now that the impact of the hurricanes have been mostly addressed, the WDB will work with the providers (both current and potential) to expand the choices available while also working with the intent of the WIOA legislation.