

**US VIRGIN ISLANDS WAIVER REQUEST**  
**WORKFORCE INNOVATION AND OPPORTUNITY ACT**

**WAIVER TO INCREASE ON-THE-JOB TRAINING (OJT)  
REIMBURSEMENT FOR EMPLOYERS**

**Statutory and/or Regulatory Requirement to be Waived**

WIOA Section 134 (c)(3)(H)(i) and 20 CFR 680.720 (b)

**Actions Taken to Remove State and Local Barriers**

There are no State or Local statutory barriers for the implementation of the proposed waiver.

**State Strategic Goals(s) and Department of Labor Priorities Supported by the Waiver**

The Virgin Islands Workforce System seeks to enhance business engagement through a sector-based approach to workforce training by expanding OJT partnerships with companies operating in growing industry sectors. This approach accelerates the delivery of trained individuals into the workforce. On-the-Job training is a tried-and-true method of work-based training especially in times of recovery from natural or other disasters.

**Goals:**

Increase training and placement in hospitality, skilled workers, medical and technology sectors over the next two years.

Sector specific needs with special emphasis on the construction industry due to its need for quick ramp-up training and immediate employment transition to meet post-disaster recovery demands.

On-the-job training provides rapid and practical training, particularly vital for businesses in recovery phases following natural disasters like hurricanes Irma and Maria, and the COVID-19 pandemic's impact on the labor market.

**Needs:**

There is a significant need for basic job readiness, math, literacy, and access to technology skills among job seekers in the VI. The OJT program will address these gaps, enhancing employability and ensuring participants are

prepared for current job market demands. This comprehensive approach supports both immediate workforce needs and long-term career development in the US Virgin Islands.

The modernization of the workplace, driven by the COVID-19 pandemic, requires updated learning methods to meet new job demands. Employers face challenges such as rising operational costs and difficulty finding trained talent due to workforce displacement from past hurricanes. Strengthening workforce quality and skills quickly is essential for economic recovery.

Example, the Westin Frenchman's Reef Hotel, the largest hospitality employer in the territory, adopted the WIOA-funded OJT program in March 2024. This partnership aims to train local unskilled job seekers, expecting to place 5-10 trainees monthly. Expanding similar opportunities across St. Croix and St. John is crucial for the hospitality sector's growth.

### **Projected Programmatic Outcomes Resulting from Implementation of the Waiver**

Flexibility for Small Businesses enabling small businesses to use resources efficiently and increasing their labor force, making them competitive against larger companies.

Local talent utilization reducing costly off-island recruitment by building local capacity.

Quick training-to-employment transition ensuring businesses meet objectives efficiently, and job seekers quickly transitioning into productive roles.

Targeted support for hard-to-serve individuals focusing on priority occupations such as healthcare, tourism, hospitality, and professional services. Supports individuals with significant employment barriers, including those lacking skills, education, work history, disabilities, justice system engagement, or long-term unemployment.

The VIWDB expects to implement at least 168 OJT positions over the next two years, engaging employers and supporting hard-to-serve individuals.

### **Individuals, Groups or Populations Benefiting from the Waiver:**

Employers benefit from a 90% reimbursement, encouraging them to hire individuals with significant employment barriers. This waiver supports the One-Stop Operator/WIOA Title 1 Adult and Dislocated Worker operator,

Equus, in quickly reaching out to employers and implementing OJT programs. The 90% reimbursement also supports the integration of Registered Apprenticeship efforts.

### **Monitoring Waiver Implementation and Collection of Outcomes**

The Planning, Research, and Monitoring Unit at the VI Department of Labor will conduct regular reviews of the waiver's effectiveness. Performance data collection through the State's MIS system will be analyzed for patterns resulting from the waiver's usage. Equus will provide monthly reports specific to the OJT contracts and placements. VIDOL will review these OJT contracts monthly to confirm successful startup and implementation.

Once the waiver has expired, the VI Workforce Development Board (VIWDB) will conduct an evaluation of the outcomes achieved during the waiver period. The findings will inform the decision on whether to seek a renewal of the waiver or to adjust the OJT program based on the lessons learned. The VIWDB will explore the potential for securing resources to continue supporting the high level of OJT reimbursements. Additionally, efforts will be made to strengthen partnerships with employers and other stakeholders to ensure the sustainability of the OJT program. The goal is to maintain the momentum gained and continue providing valuable training and employment opportunities to the local workforce.

### **Assurance of State Posting of the Request for Public Comment and Notification to Affected Local Workforce Development Systems**

The waiver request will be posted for review and comment on the VI Workforce Development Board and the VI Department of Labor's websites by May 2024. The Executive Director of the VI Workforce Development Board will manage and respond to the comments received.