



JUN 27 2011

The Honorable John P. de Jongh, Jr.
Governor of the U.S. Virgin Islands
21-22 Kongens Gade
Charlotte Amalie
St. Thomas, Virgin Islands 00802

Dear Governor de Jongh:

This letter provides approval of an extension of Virgin Islands' current Workforce Investment Act (WIA) and Wagner-Peyser Act (W-P) State Plan for Program Year (PY) 2011. This letter also provides approval of extensions for Virgin Islands' waivers. Training and Employment Guidance Letter (TEGL) No. 17-10, issued on December 30, 2010, provides guidance for states to secure approval of their WIA/W-P State Plans and waivers for PY 2011.

Extension of State Plan

The Virgin Islands' existing State Plan will expire on June 30, 2011. This letter constitutes a written determination under WIA Section 112 (29 USC 2822) that the Employment and Training Administration (ETA) is extending the approval of the Virgin Islands State Plan for WIA Title I and the Wagner-Peyser Act for PY 2011, July 1, 2011 through June 30, 2012. The Virgin Islands has already received its formula allotment for the WIA Youth program for PY 2011. The Virgin Islands is eligible to receive WIA formula allotments for Adult and Dislocated Worker programs and W-P initial base program allotments under the PY 2011 annual funding agreement for WIA and the PY 2011/Fiscal Year 2012 annual funding agreement for W-P.

Performance Levels

The Virgin Islands requested to extend its existing PY 2010 WIA and W-P performance goals for PY 2011. The Region is recommending the Virgin Islands to renegotiate current WIA performance goals for PY 2011. Once the final goals are established, the Regional Administrator will advise the Virgin Islands of the PY 2011 WIA and W-P final performance goals. Newly established performance goals constitute a modification to the State Plan. ETA will incorporate the Virgin Islands' final performance goals for PY 2011 into the Regional and National Office copies of the State Plan. Please include these final PY 2011 goals in the State's official copy of the State Plan.

Waivers

As part of the Virgin Islands' extension of the WIA/W-P State Plan, and as described in TEGL No. 17-10, the Virgin Islands requested extensions of its PY 2010 waivers of statutory and regulatory requirements under WIA for PY 2011. The disposition of the Virgin Islands' waiver extensions is outlined below. This action is taken under the Secretary's authority at WIA Section 189(i) to waive certain requirements of WIA Title I, Subtitles B and E, and Sections 8-10 of the Wagner-Peyser Act.

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.

The Virgin Islands was previously granted a waiver to permit an increase in the amount a state is allowed to transfer between the Adult and Dislocated Worker funding streams. The Virgin Islands is granted an extension of this waiver through June 30, 2012. Under the waiver, transfer authority is limited to 50 percent. This limitation provides states flexibility while ensuring consistency with Congressional intent regarding the level of funding appropriated for the WIA Adult and Dislocated Worker programs.

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

The Virgin Islands was previously granted a waiver that allows it to replace the 17 performance measures under WIA Section 136(b) with the common measures. The Virgin Islands is granted an extension of this waiver through June 30, 2012.

This waiver permits the Virgin Islands to negotiate and report WIA outcomes against the common performance measures only, rather than the performance measures described at WIA Section 136(b). The State will no longer negotiate and report to ETA on the following WIA measures: WIA adult and dislocated worker credential rates; participant and employer customer satisfaction; older youth measures; and younger youth measures. The Virgin Islands will use the three adult common performance measures to negotiate goals and report outcomes for the WIA Adult and WIA Dislocated Worker programs. The Virgin Islands will use the three youth common performance measures to negotiate goals and report outcomes for the WIA Youth program. Workforce Investment Act Standardized Record Data system (WIASRD) item 619, Type of Recognized Credential, should be completed for each individual as appropriate, regardless of this waiver to report on common performance measure outcomes only.

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

The Virgin Islands was previously granted a waiver of the required 50 percent employer contribution for customized training to permit the use of a sliding scale for the employer contribution based on the size of the business. The Virgin Islands is granted an extension of this waiver through June 30, 2012. Under the waiver, the following sliding scale is permitted: 1) no less than 10 percent match for employers with 50 or fewer employees, and 2) no less than 25 percent match for employers with 51-250 employees. For employers with more than 250 employees, the current statutory requirements (50 percent contribution) continue to apply. When determining the funding source for customized training, the Virgin Islands must use the appropriate program funds for the appropriate WIA-eligible population. The Virgin Islands may provide customized training to individuals over age 18 with WIA Adult funds and must provide priority to low-income individuals when funds are limited; the Virgin Islands may provide customized training to dislocated workers with WIA Dislocated Worker funds. Customized training provided with statewide funds must serve WIA eligible individuals.

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

The Virgin Islands previously granted a waiver to permit it to conduct allowable statewide activities as defined under WIA Section 134(a)(3) with local WIA formula funding, specifically incumbent worker training. The Virgin Islands is granted an extension of this waiver through June 30, 2012. Under this waiver, the Virgin Islands is permitted to use up to 10 percent of local Dislocated Worker funds and up to 10 percent of local Adult funds for incumbent worker training only as part of a layoff aversion strategy. Use of Adult funds must be restricted to serving lower income adults under this waiver. ETA believes limiting incumbent worker training to the specified level and requiring it to be a part of layoff aversion is the best use of funds in the current economic climate where serving unemployed workers is a paramount responsibility of the workforce system. All training delivered under this waiver is restricted to skill attainment activities. Local areas must continue to conduct the required local employment and training activities at WIA Section 134(d), and the Virgin Islands is required to report performance outcomes for any individual served under this waiver in

the WIASRD, field 309. TEGL No. 26-09, Section 7A, "Workforce Investment Act (WIA) Waiver Policy and Waiver Decisions for PY 2009 and 2010" and TEGL No. 30-09, "Layoff Aversion Definition and the Appropriate Use of Incumbent Worker Training for Layoff Aversion Using a Waiver" provide policy guidance related to implementation of this waiver.

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

The Virgin Islands was previously granted a waiver to permit an increase in employer reimbursement for on-the-job training through a sliding scale based on the size of the business. The Virgin Islands is granted an extension of this waiver through June 30, 2012. Under the waiver, the following reimbursement amounts will be permitted: 1) up to 90 percent for employers with 50 or fewer employees, and 2) up to 75 percent for employers with 51-250 employees. For employers with more than 250 employees, the current statutory requirements (50 percent reimbursement) will continue to apply. When determining the funding source for on-the-job training, the Virgin Islands must use the appropriate program funds for the appropriate WIA-eligible population. The Virgin may provide on-the-job training to individuals over age 18 with WIA Adult funds and must provide priority to low-income individuals when funds are limited; the Virgin Islands may provide on-the-job training to dislocated workers with WIA Dislocated Worker funds. On-the-job training provided with statewide funds must serve WIA eligible individuals.

Waiver of WIA Section 134(a)(1)(A) to permit a portion of the funds reserved for rapid response activities to be used for incumbent worker training.

The Virgin Islands was previously granted a waiver to permit use of rapid response funds to conduct allowable statewide activities as defined under WIA Section 134(a)(3), specifically incumbent worker training. The Virgin Islands is granted an extension of this waiver through June 30, 2012. Under this waiver, the Virgin Islands is permitted to use up to 20 percent of rapid response funds for incumbent worker training only as part of a layoff aversion strategy. ETA believes limiting incumbent worker training to layoff aversion is the best use of funds in the current economic climate where serving unemployed workers is a paramount responsibility of the workforce system. All training delivered under this waiver is restricted to skill attainment activities. The State is required to report performance outcomes for any incumbent workers served under this

waiver in the WIASRD, field 309. TEGL No. 26-09, Section 7A, "Workforce Investment Act (WIA) Waiver Policy and Waiver Decisions for PY 2009 and 2010" and TEGL No. 30-09, "Layoff Aversion Definition and the Appropriate Use of Incumbent Worker Training for Layoff Aversion Using a Waiver" provide policy guidance related to implementation of this waiver.

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

The Virgin Islands was previously granted a waiver of the requirements to reduce the data collection burden for employers participating in WIA-funded incumbent worker training programs. The waiver permits the Virgin Islands to discontinue the collection of the following WIASRD elements: 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). The State is granted an extension of this waiver through June 30, 2012.

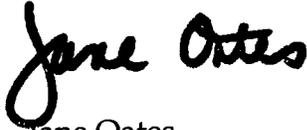
Waiver of the prohibition at 20 CFR 664.510 on the use of Individual Training Accounts for older and out-of-school youth.

The Virgin Islands was previously granted a waiver of the prohibition at 20 CFR 664.510 on the use of Individual Training Accounts (ITAs) for older youth and out-of-school youth program participants. The Virgin Islands is granted an extension of this waiver through June 30, 2012. Under this waiver, the Virgin Islands can use ITAs for older youth and out-of-school youth program participants. The Virgin Islands must continue to make the 10 youth program elements available as described at WIA Section 129(c)(2). The Virgin Islands should ensure that funds used for ITAs are tracked and that the ITAs are reflected in the individual service strategies for these youth.

The approved waivers are incorporated by reference into the Virgin Islands' WIA Grant Agreement, as provided for under paragraph 3 of the executed Agreement, and this constitutes a modification of the State Plan. A copy of this letter should be filed with the Virgin Islands' WIA Grant Agreement and the approved State Plan. In addition, as described in TEGL No. 09-10, page 3, the Virgin Islands should address the impact these waivers have had on its performance in the WIA annual performance report, due on October 1 of each year.

We look forward to working together as you implement your State Plan for PY 2011. If you have any questions related to the issues discussed above, please contact John Murphy, the Federal Project Officer for the Virgin Islands, at either (617) 788-0392 or murphy.john@dol.gov.

Sincerely,

A handwritten signature in black ink that reads "Jane Oates". The signature is written in a cursive, flowing style.

Jane Oates
Assistant Secretary

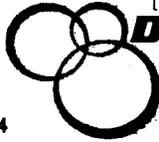
Enclosure

cc: Holly O'Brien, Regional Administrator, ETA Boston Regional Office
John Murphy, Federal Project Officer for the Virgin Islands



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GOVERNMENT OF
THE UNITED STATES VIRGIN ISLANDS



US VIRGIN ISLANDS
**DEPARTMENT
OF LABOR**

PO Box 302608-Charlotte Amalie
St. Thomas, VI 00803-2608
(340)776-3700, Fax (340)774-5908

Office of the Commissioner

April 1, 2011

Division of Workforce System Support
Employment and Training Administration
U.S. Department of Labor
200 Constitution Ave., NW, Room S-4231
Washington, DC 20210

ATTN: Kimberly Vitelli

Dear Ms. Vitelli:

The US Virgin Islands' Strategic State Plan for Title I of the Workforce Investment Act (WIA) and the Wagner-Peyser Act will expire on June 30, 2011. In accordance with TEGL 17-10, the US Virgin Islands is requesting that the US Department of Labor extend the life of the existing US Virgin Islands WIA/Wagner Peyser Act Strategic State Plan into PY 2011 (July 1, 2011 – June 30, 2012).

The US Virgin Islands is also requesting an extension of its PY 2010 performance levels (common measures) for PY 2011.

Finally, the US Virgin Islands is requesting an extension of its existing waivers for PY 2011. These waivers include:

- Waiver of WIA Section 133(b)(4) to increase the allowable transfer amount between Adult and Dislocated Worker funding streams from the statutory 20% to 40%.
- Waiver of the required 50% employer contribution for customized training at WIA Section 101(8)(C) to permit the use of a sliding scale based on the size of the business.
- Waiver of WIA Section 101(31)(B) to increase the employer reimbursement for on-the-job training through a sliding scale based on the size of the business.

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The Virgin Islands Department of Labor is an Equal Opportunity Employer with Equal Opportunity Programs. Auxiliary aids and services are available upon request to individuals with disabilities.

- Waiver of WIA Section 134(a)(1)(A) to permit a portion of the funds (up to 20%) reserved for rapid response activities to be used for incumbent worker training, as part of a layoff aversion strategy.
- Waiver of WIA Section 134(a) to permit local areas to use a portion of local funds (up to 20% of dislocated worker funds) for incumbent worker training as part of a layoff aversion strategy.
- Waiver of 20 CFR 666 and 667.300(a) to reduce the collection of participant data for incumbent workers.
- Waiver of the prohibition at 20 CFR 684.510 on the use of Individual Training Accounts for older and out-of-school youth.
- Waiver to permit the State to replace the performance measures at WIA Section 136(b) with the common measures.

The contact information as noted on the *Program Administration Designees and Plan Signatures Form* remains as currently recorded. Please feel free to contact the undersigned if additional information is required.

Sincerely,


Albert Bryan, Jr.
Commissioner

c: Holly O'Brien
Administrator – Region I