

## **Increase OJT Reimbursement Rate**

### **Workforce Innovation and Opportunity Act Waiver Request**

Under the Secretary of Labor's waiver authority outlined in Section 189(i)(3)(A) of the Workforce Innovation and Opportunity Act (WIOA) and 20 CFR and 679.600, the Secretary may waive certain provisions of WIOA Title I Subtitle A, B, and E and provisions found in Sections 8-10 of the Wagner-Peyser Act. WIOA Section 189(i)(3)(B) and 20 CFR 679.620 identify elements that must be included in a waiver request. A state may request a waiver in its Unified or Combined State Plan submission or modification. Or, if submitting separate from the State Plan submission, States may use this document as a tool to assist in developing and requesting a waiver. States may use their own format or form for a request, as long as elements required by WIOA and the regulations noted above are addressed. After reviewing a state's initial request, the Employment and Training Administration (ETA) may ask the state for additional information if necessary, to complete its review.

To submit a waiver request, e-mail this completed form or a state-developed document along with a cover letter to [WIOA.Plan@dol.gov](mailto:WIOA.Plan@dol.gov) and the appropriate ETA regional office. While e-mail is strongly preferred, ETA will also accept hard copy submissions.

**Date** :

**State** : **Commonwealth of the Northern Mariana Islands**

**Agency** : **CNMI DOL Workforce Investment Agency**

A state's waiver request must include a discussion of the following elements:

**The statutory and/or regulatory requirements the state would like to waive:**

In response to the unparalleled impacts of the COVID-19 pandemic, the Commonwealth of the Northern Mariana Islands Department of Labor Workforce Investment Agency (CNMI DOL WIA), as the administering entity for the Workforce Innovation and Opportunity Act Formula Title I Adult, Dislocated Worker, and Youth funds, seeks a waiver on the statutory provision to reimburse fifty percent (50%) of an On-the-Job Training (OJT) participant wages for the extraordinary costs for training and supervision as prescribed at WIOA Section 134(c)(3)(H)(i) and 20 CFR 680.720 (b).

The CNMI DOL WIA proposes a sliding scale reimbursement according to the proportion of the business entity as described at WIOA Section 134(c)(3)(H)(i) and 20 CFR 680.730 (a). Upon approval of the waiver, employers or small businesses with fifty (50) or less employees will be reimbursed up to ninety percent (90%), while larger businesses with fifty-one (51) and upward of two hundred and fifty (250) employees will be reimbursed seventy-five percent (75%) applicable to all OJT contracts as permitted by WIOA Title I formula funds for Adult, Dislocated Worker, and Youth.

**Actions the state has undertaken to remove state or local barriers:**

There are no State or local barriers that may impede implementation of this waiver.

**Impact to the state's strategic goal(s):**

The ongoing pandemic has challenged the collective ability of the CNMI SWDB and CNMI DOL WIA to meet the approved goals for Program Years 2020-2022. In an effort to overcome these barriers, this waiver is requested as an initiative to meet the following approved strategic goals:

**Goal 3:** Promote and support participant's efforts to obtain necessary workforce experiences, workforce credentials, skill development and training, and/or career or college readiness in order to increase the number of competitive participants who are ready to enter employment or gain upward mobility and livable wages in the careers of their choice.

**Goal 4:** Align, coordinate, and integrate the local and state workforce development systems in order to match workforce skills needs of employers those participants who have the marketable skills and attributes needed to be competitive choice of employers.

**Alignment with US Department of Labor Priorities**

This waiver is in line with the priorities of the US Department of Labor and that of the Commonwealth of the Northern Mariana Islands. The common theme of the CNMI's Unified Plan is to develop skills of jobseekers that meet the needs of the workforce and support economic growth. The approval of the waiver will entice business engagement, skill development and augment efforts to stimulate the economy during this pandemic.

**Quantifiable projected programmatic outcomes resulting from implementation of the waiver<sup>i</sup>;**

The CNMI DOL WIA forecasts an increase to programmatic outcomes directly attributed to the implementation of this waiver in the following areas:

- Provide opportunities for WIOA customers to advance in a career pathway.
- Increase business engagement to meet the demands for a skilled workforce.
- Job progression and retention.
- Develop demand driven marketable skills to complete in the job market.
- Skill development for new workers.
- Provide for economic activity and growth.
- Improve program performance results.

**Individuals, groups, or populations benefitting, or otherwise impacted by the waiver from the waiver;**

The waiver will serve to benefit the CNMI's business community and WIOA customers. This is especially advantageous for small businesses to close the skills gap and build a skilled workforce. In our depressed economy, it provides an opportunity for dislocated/displaced workers and jobseekers to retool skills, progress in a career pathway, or gain marketable skills. Moreover, it will expand work-based training opportunities for WIOA customers.

**How the state plans to monitor waiver implementation, including collection of measureable waiver outcome information;**

The CNMI's WIOA Program staff will monitor and collect data directly related to the implementation and effectiveness of this waiver on the existing data management system. Data collected will be made available to the CNMI's SWDB to drive policy and develop innovative strategies.

**Assurance of state posting for public comment and notification to affected local workforce development boards.**

The draft waiver will be made available for public comment on the CNMI's DOL website at [www.marianaslabor.com](http://www.marianaslabor.com), email mailer to stakeholders and partners, and published on local media sources for a period of two weeks beginning on Monday, December 14, 2020 and ending on Monday, December 28, 2020.

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<sup>i</sup> As a condition for waiver approval, WIOA requires states to provide an examination of how the proposed waiver will help the state reach certain proposed targets in the state's waiver request. These targets must be quantifiable in nature to allow ETA to assess whether the state is meeting these targets for the purposes of future waiver renewal. For example, if the state is requesting a waiver of the requirement to expend 75 percent of statewide and/or local funds on out-of-school youth, ETA would expect to see targets such as:

- a net gain of X number of total youth served per year as a result of this waiver and not just shifting youth served from out-of-school youth to in-school-youth);
- An increase of X percentage points of youth that attain a credential; and/or
- An increase of X percent or X number of youth enrolled in pre-apprenticeship programs.

A state should contact its Federal Project Officer with any questions regarding what constitutes acceptable projected outcomes/targets.