

# INFORMATION NOTICE

## WORKFORCE SERVICES

Number: WSIN13-74

Date: June 19, 2014

Expiration Date: 7/19/16

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TO: WORKFORCE DEVELOPMENT COMMUNITY

SUBJECT: PROPOSED WIA WAIVER REQUEST—PUBLIC COMMENT

The purpose of this Information Notice is to inform Local Workforce Investment Areas and other interested parties that the California Workforce Investment Board (State Board) has released the following proposed waiver for public comment:

- Waiver of the Limitation on Employer Reimbursements for On-the-Job Training for Long-Term Unemployed Veterans and Disabled Job Seekers

This waiver request can be viewed as an attachment to this Information Notice.

The Workforce Investment Act (WIA) provides for waiver requests on certain program elements through Public Law 105-220. In conformance with WIA Section 189(i)(4)(b) and Title 20 Code of Federal Regulations Part 661.420(c), the State Board will consider all public comments. The State Board will accept comments on this waiver until 5 p.m. on July 18, 2014.

Comments can be submitted through one of the following ways:

**Fax:** State Board, Attention: WIA Waiver Requests at 916-324-3068

**E-mail:** [Daniel.Patterson@cwib.ca.gov](mailto:Daniel.Patterson@cwib.ca.gov)  
(Include "WIA Waiver Requests" in the subject line)

**Mail:** CWIB, Attention: WIA Waiver Requests  
777 12th St., Suite 200, Sacramento, CA 95814

For additional information or questions, please contact Daniel Patterson at 916-324-2853 or [Daniel.Patterson@cwib.ca.gov](mailto:Daniel.Patterson@cwib.ca.gov).

/S/ JOSÉ LUIS MÁRQUEZ, Chief  
Workforce Services Division

Attachment

*The EDD is an equal opportunity employer/program. Auxiliary aids and services are available upon request to individuals with disabilities.*

**STATE OF CALIFORNIA  
WORKFORCE INVESTMENT ACT (WIA)  
WAIVER REQUEST**

**Waiver of Limitation on Employer Reimbursements for On-the-Job Training for  
Long-Term Unemployed Veterans and Disabled Job Seekers**

Currently, California's unemployment rate is 7.8 percent, the lowest since August 2008. However, there is still a large number of Californians who are unemployed. Of the 1.58 million unemployed Californians through April 2014, 38.5 percent have been unemployed for 26 weeks or longer, while 26.5 percent have been unemployed for 52 weeks or longer.

Even as California's economy has bounced back and job opportunities are increasing in some parts of the State, combating long-term unemployment continues to be one of the greatest challenges for policy-makers.

The U-6 unemployment rate, the broadest measure of labor underutilization, indicates total unemployment, as well as those Californians who are working part-time for economic reasons and those considered long-term unemployed or marginally attached to the labor force.

The nationwide U-6 rate is 13.4 percent. California's is 16.5 percent, the highest in the nation, with Los Angeles County even higher at 18.6 percent. Long-term unemployment is widespread and disproportionately affects certain groups.

Studies have found that there is a greater likelihood that a person with disabilities will suffer long-term unemployment compared to a person without disabilities.

Based on the most recent April 2014 Current Population Survey (CPS) data, of the nearly 3 million Californians with a disability, only 18.7 percent (561,000) participate in the labor force. Of those 561,000 Californians with disabilities in the labor force, 14.3 percent, or approximately 80,000 are unemployed. Some of these Californians with disabilities may also be returning veterans.

Currently, the unemployment rate for veterans in California is 7.9 percent. Approximately 45.2 percent of the state's veteran population participates in the labor force. Veterans are typically older males with a high school diploma or some postsecondary education. Veterans typically have lower unemployment rates than nonveteran populations in most demographic categories. More recent veterans, typically termed Post-9/11, tend to face higher levels of long-term unemployment. This fits within the current unemployment rates for those ages 20-24 (14.2 percent), and those aged 25-34 (8.3 percent).

To enable Local Workforce Investment Boards (local boards) to more effectively serve the long-term unemployed veterans and disabled job seekers, as well as address some of the barriers to reattachment to the workforce, the State Board is seeking a waiver to

the reimbursement rate currently provided in WIA. Under this waiver, the reimbursement would allow up to 90 percent employer reimbursement for these targeted populations. This will allow local boards to negotiate a range of reimbursement based on the barriers to employment of the client. Local boards should work with employers in their priority sectors to establish On-the-Job Trainings (OJTs) that offer career pathways that lead to self-sufficiency.

This waiver will be effective immediately upon approval and for the full period of the California WIA Strategic Plan of June 30, 2017.

In keeping with the guidelines set forth at WIA Section 189(i)(4)(B) and Title 20 Code of Federal Regulations (CFR) Part 661.420(c), please accept the following as a request for waiver.

**A. Statutory or Regulatory Requirements to be Waived**

WIA Section 101(31)(B) and the WIA Regulations at Title 20 CFR 663.710, which limits the amount of wage reimbursement for OJT to 50 percent of the wage rate of the participant.

**B. Goals of the Waiver and Expected Programmatic Outcomes if Waiver is Granted**

The goal of this waiver is to increase employment opportunities for long term unemployed veterans and disabled by providing wage reimbursement and assistance to employers that provide earn and learn opportunities to this targeted population of job seekers as they transition back to full productivity in the workplace. This waiver would also provide an additional and effective strategy to the local boards to assist its clients to seek, find, and retain employment. This waiver is consistent with the California WIA Strategic Plan in using earn and learn models that provide career pathways that lead to middle-skill occupations that provide a self-sufficiency wage.

The success of this waiver will be determined over time as we monitor its effectiveness through the use quarterly reporting and data in the client record to determine number of clients served under this waiver and the associated outcomes for the client.

**C. State or Local Statutory or Regulatory Barriers**

There are no State or local statutory or regulatory barriers to implementing the proposed waiver.

**D. Description of Individuals Impacted by the Wavier**

All WIA eligible participants (long term unemployed veterans and those classified as having a disability as defined by this waiver request), local boards and participating employers will be impacted by this waiver. Additional workforce partners that provide services to this client population, such as social services and other such entities, may be impacted through a reduction in the total number of clients receiving other public services and assistance.