

Statutory and/or Regulatory Requirement to be Waived –20 CFR 641.565(a) (2). The highest applicable required wage is either the minimum wage applicable under the Fair Labor Standards Act of 1938; the State or local minimum wage for the most nearly comparable covered employment; or the prevailing rate of pay for persons employed in similar public occupations by the same employer.

The State of Mississippi seeks approval of the following waiver in accordance with 20 CFR 641.565. The waiver will allow Mississippi to use a statewide minimum prevailing wage of \$10.63 for SCSEP participants. Paying the statewide prevailing minimum wage rate will enhance participant satisfaction and retention, providing them with a more competitive wage. Overall, the benefits of paying prevailing wages can lead to a more effective and equitable program.

Background

The Senior Community Service Employment Program (SCSEP) is a community service and work-based job training program for older Americans. SCSEP participants gain work experience in a variety of community service activities at non-profit and public facilities, including schools, hospitals, day-care centers, and senior centers. The program provides over 40 million community service hours to public and non-profit agencies, allowing them to enhance and provide needed services. Participants work an average of 20 hours a week and are paid the highest of federal, state or local minimum wage. This training serves as a bridge to unsubsidized employment opportunities for participants.

SCSEP has a dual program goal of community service and job training. SCSEP provides useful opportunities to participants by training through community service. This experience provides the skills needed to transition participants into unsubsidized employment allowing economic self-sufficiency and the ability to remain a vital part of Mississippi's workforce.

In the Senior Community Service Employment Program (SCSEP), the prevailing wage requirements are designed to ensure that participants are fairly compensated. Participants must be paid the highest of either the minimum wage applicable under the Fair Labor Standards Act of 1938; the State or local minimum wage for the most nearly comparable covered employment; or the prevailing rate of pay for persons employed in similar public occupations by the same employer.

Since the Covid19 pandemic, the actual prevailing minimum wage in Mississippi has increased greatly, as it has in the rest of the country. Entry level wages for unskilled workers are nearly double the \$7.25 minimum wage set by the Federal Government and the State of Mississippi. The SCSEP Program has difficulty finding individuals that will work for \$7.25 when they can get jobs that pay more.

The MDES Labor Market Information Department and the MDES State Economist have determined that the Statewide Minimum Prevailing Wage for the most nearly comparable covered employment is currently \$10.63 per hour, as of June 30, 2025.

Increasing the pay rate for SCSEP participants to the statewide minimum prevailing wage of \$10.63 per hour (currently) will support program goals by helping to ensure that SCSEP participants receive fair compensation for their work, aligning with local wage standards and promoting equity within the program. Implementing the statewide minimum prevailing wage can also enhance the program's reputation, showing a commitment to fair labor practices and the well-being of participants. The State will evaluate the effect the increased wage rate has on participant enrollment and program effectiveness. We will also annually evaluate the prevailing wage rate and adjust it as labor market forces affect the rate.

Actions Undertaken to Remove State or Local Statutory or Regulatory Barriers

There are currently no state or local statutory or regulatory barriers to implementing the requested waiver.

Alignment with Department Policy Priorities

The Mississippi State Plan is intended to foster coordination among the various SCSEP grantees and sub-recipients operating within the state and to facilitate the efforts of stakeholders, including state and local boards under WIOA, to work collaboratively through a participatory process to accomplish the SCSEP goals (20 CFR 641.300).

Waiver Goals and Outcomes

Implementing a statewide minimum prevailing wage for the Senior Community Service Employment Program (SCSEP) can bring several benefits. By ensuring a minimum prevailing wage, we can provide much-needed financial stability for low-income seniors, empowering them to meet their basic needs and reducing poverty among older adults. Furthermore, a competitive wage has the potential to attract more dedicated individuals to the program, ultimately enhancing the quality of services provided to the community. Additionally, a statewide standard would ensure that all participants receive fair compensation. By aligning SCSEP wages with prevailing wages for similar public occupations, we can ensure consistency with broader labor market standards, ultimately creating a more just and equitable system for all involved.

Goal: Provide a training wage that is comparable with similar public occupations to obtain and retain participants for SCSEP in our area. This training wage will be the Statewide prevailing minimum wage rate of \$10.63, as determined by Labor Market Information data and other data on Mississippi's prevailing minimum wage.

Outcome: Approval of this waiver will allow the state to provide much needed wages considering the increase in cost of living while also providing the training necessary to obtain unsubsidized employment.

Goal: Increase Program Participation and enhance Participant Satisfaction.

Outcome: Approval of this waiver will attract more participants willing to join SCSEP and make participants feel more valued and motivated, leading to higher satisfaction and potentially better performance and retention rates. Fair wages can also improve the overall economic well-being of the communities where participants live and work.

Individuals Impacted by the Waiver

Mississippi's SCSEP participants, employers, and service providers will benefit from this waiver.

Monitoring Progress and Implementation

Regular on-site and/or virtual audits will be conducted to ensure compliance with the approved wage structure, and the success of achieving goals and outcomes. The State will evaluate the effect the increased wage rate has on participant enrollment and program effectiveness. The State will annually evaluate the prevailing wage rate and adjust it as necessary.

Notice to Local Boards and Public Comment

In accordance with WIOA Regulations at 20 CFR 679.620 (ii) (iii) and (iv), this waiver request was provided to all local workforce development boards. The waiver request is currently posted on our website for comment and review by required partners and the general public.

To comment of this waiver request, please email GWood@mdes.ms.gov