



JUN 30 2004

The Honorable Arnold Schwarzenegger
Governor of California
State Capitol
Sacramento, California 95814

Dear Governor Schwarzenegger:

It is with pleasure that I respond to the State of California's request for an extension of Workforce Investment Act (WIA) waivers. This response is provided in accordance with the Secretary's authority to waive certain requirements of WIA Title I, subtitles B and E and Sections 8-10 of the Wagner-Peyser Act.

The State of California is requesting an extension of the following approved waivers that expire June 30, 2004:

- Waiver of the prohibition on the use of Individual Training Accounts for older and out-of-school youth at 20 CFR 664.510, and
- Waiver of the time limit on the period of initial eligibility of training providers at 20 CFR 663.530.

The State of California's request (copy enclosed) indicates that an extension of the granted waivers will enable the state to continue to provide expanded training opportunities for youth and other WIA customers. The request is written in the format identified in WIA Section 189(i)(4)(B) and 20 CFR 661.420(c), and appears to meet the standard for approval at 20 CFR 661.420(e). Accordingly, the State of California is granted an extension of the two waivers through June 30, 2005.

The granted waiver extensions are incorporated by reference into the state's WIA Grant Agreement, as provided for under paragraph 3 of the executed Agreement, and also constitute a modification of the state's approved five-year strategic plan. A letter is being sent to your State WIA Liaison, which supplements this notification letter and defines the terms and conditions that apply to the granted waiver extensions. A copy of each letter should be filed with the state's WIA Grant Agreement and the state's approved five-year strategic plan, as appropriate.

We look forward to continuing our partnership with you and achieving better workforce investment outcomes. We are prepared to entertain other state and local-level waiver requests that you may wish to submit, consistent with the provisions of the WIA statute and regulations.

Sincerely,

A handwritten signature in black ink, appearing to read "Emily Stover DeRocco". The signature is fluid and cursive, with the first name "Emily" being the most prominent.

Emily Stover DeRocco

Enclosure