



JAN 21 2003

The Honorable Frank O'Bannon
Governor of Indiana
Indianapolis, Indiana 46204

Dear Governor O'Bannon:

It is with pleasure that I respond to the State of Indiana's request for a waiver of statutory and regulatory requirements under the Workforce Investment Act (WIA), 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. This authority is granted to the Secretary by section 189(i)(4)(A) of the Workforce Investment Act (WIA or the Act), and in the implementing regulations at 20 CFR 661.420.

These waivers grant states flexibility in program design for seamless program delivery and improved customer service, in exchange for accountability and agreed-to programmatic outcomes. We hope that these changes will assist your state in meeting its workforce needs and improving programmatic outcomes at the local level and statewide.

We are pleased to be able to respond positively to your request. The following is the disposition of the state's waiver submission.

Waiver: Subsequent Eligible Training Provider (ETP) Requirements; 18 month subsequent eligibility requirement (WIA Sec. 122(c)(5) and 20 CFR 663.530)

The state is requesting a waiver (copy enclosed) of the time limit on the period of initial eligibility of training providers found at WIA section 122(c)(5) and 20 CFR 663.530 through June 30, 2004, to postpone the "Subsequent Eligibility of Training Providers" until July 1, 2004. The state indicates that the reasons for this request are to improve the WIA performance information and the accountability of the training providers for the determination of subsequent eligibility. The state reports that this postponement will also allow Indiana to enhance and strengthen the overall individual training account and the eligible training provider processes. The state's request includes a viable plan, including a time line, for achieving compliance with the section 122 requirements on subsequent eligibility of training providers. The waiver 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 waiver of requirements relating to key reform principles, as specified at 20 CFR 661.410(c).



Accordingly, the State of Indiana is granted a waiver of the time limit on the period of initial eligibility of training providers at 20 CFR 663.530 to extend the period of initial eligibility through June 30, 2004, with implementation of the subsequent eligibility requirements on July 1, 2004, as requested. The granted waiver is incorporated by reference into the state's WIA Grant Agreement, as provided for under paragraph 3 of the executed Agreement, and also constitutes a modification of Indiana's approved five-year strategic plan. A copy of this letter should be filed with the state's WIA Grant Agreement and the state's approved five-year plan, as appropriate.

We look forward to continuing our partnership with you and to the achievement of better workforce investment outcomes and the improvement of the lives of many of the residents of Indiana. We are prepared to entertain other state and local-level waiver requests that the state may wish to submit, consistent with the provisions of the Act and regulations.

Sincerely,

A handwritten signature in cursive script, reading "Emily Stover DeRocco". The signature is written in dark ink and is positioned above the printed name.

Emily Stover DeRocco

Enclosure

339681

**INDIANA
WORKFORCE
DEVELOPMENT**



October 28, 2002

Frank O'Bannon, Governor
Craig E. Hartzler, Commissioner

Dept. of Workforce Development
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An Equal Opportunity Employer

Ms. Emily DeRocco
Assistant Secretary
Employment and Training Administration
United States Department of Labor
200 Constitution Avenue NW, Room S2307
Washington, DC 20210

Dear Ms. DeRocco:

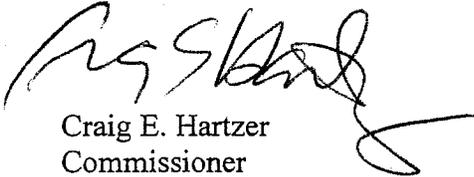
The Indiana Department of Workforce Development (DWD) is requesting a waiver of Section 122(c)(5) of the Workforce Investment Act (WIA) and 20 CFR Part 661.420(c) of the WIA Regulations. We are requesting a waiver to postpone the "Subsequent Eligibility of Training Providers" until July 1, 2004. The waiver request is attached.

Per 20 CFR Part 661.420(c), local boards affected by the waiver were given an opportunity to comment on the request. Also, meaningful public comment, including comment by business and organized labor, was given an opportunity to comment on the request through the Human Resource Investment Council and DWD's web site. No comments on the waiver request were received.

We wish to emphasize our full support of the WIA principals of improving WIA performance information and the accountability of the training providers for the determination of subsequent eligibility. The postponement will also allow Indiana to enhance and strengthen the overall individual training account and the eligible training provider process.

If you have any questions concerning this waiver request, please contact Patrick J. Vercauteren, Deputy Commissioner, Evaluation, Policy and Planning, at 317/232-7182. Thank you for your consideration of our waiver.

Sincerely,


Craig E. Hartzler
Commissioner

State of Indiana

Waiver Request Workforce Investment Act

Subsequent Eligibility of Training Providers

The Indiana Department of Workforce Development (DWD), the state administrative entity for the Workforce Investment Act (WIA), is requesting a waiver to postpone the "Subsequent Eligibility of Training Providers" until July 1, 2004. The reasons for this request are to improve the WIA performance information and the accountability of the training providers for the determination of subsequent eligibility. This postponement will also allow Indiana to enhance and strengthen the overall individual training account and the eligible training provider processes. The waiver is written in the format identified in WIA section 189(i)(4)(B) and WIA Regulation 661.420(c).

- A Statutory Regulation to be Waived:** Workforce Investment Act (WIA) Section 122(c)(5) and Regulations 663.530, dealing with the time limit for initial eligibility, would be waived.
- B Goal to be Achieved as a Result of the Waiver:** The goals to be achieved by the waiver are to:
- Improve the data collection from potential training providers, thus increasing the customer choice available to trainees;
 - Increase the amount of Workforce Investment Act (WIA) performance information from potential training providers, thus increasing the customer choice available to trainees;
 - Allow more time to analyze data to set reasonable criteria for "subsequent eligibility; and
 - Allow local areas to increase their familiarity with the Individual Training Account and Eligible Training Provider systems.
- C State or Local Statutory or Regulatory Barriers:** There are no state or local statutory or regulatory barriers to implementing the requested waiver.
- D Description of Waiver Goal and Programmatic Outcomes:** Currently, Indiana has approximately 450 different training providers with over 4,000 programs listed on the State eligible training provider list. The list (called "Education & Training Choices" in Indiana) includes the state's community college system, the state's university system, private for profit and nonprofit schools and training agencies. The complete list is located at: http://www.in.gov/serv/dwd_etc

Indiana's experience throughout WIA has been the training providers reluctance to collect the necessary data for the eligible training provider list because of the low number of WIA clients enrolled with that provider. These circumstances are

especially true with the state university system. Even with the State's assistance in securing subsequent employment and wage rates for graduates, the cost for collecting and submitting other performance data still outweighs the benefits to be listed on the eligible training provider list.

With a lower number of training providers listed on the eligible training provider list, customer choice will be reduced. This adversely impacts one of the basic principals of WIA – customer choice.

Currently, most of the university system in Indiana is not listed on the eligible training provider list because the cost for collecting and submitting data outweighs the benefits of being included on the eligible training provider list. By not being granted this waiver request, Indiana is certain that many long-standing providers with solid credentials will drop out. Examples of such providers include universities, the state community college system, and other technical schools.

By granting Indiana this waiver request, local WIA providers will have more opportunity to advertise the initial training provider list and the subsequent eligibility process to the training provider community in the state. This will cause more providers to ask for the opportunity to become eligible as a WIA trainer and subsequently provide more choices to the customer.

To accomplish these goals, Indiana intends to carry out the following activities:

- Announcing the State will operationalize and up date the eligible training provider list into the subsequent eligibility list.
- Enhancing DWD's Policy & Planning's WEB site so training providers and workforce investment boards have an easier time verifying subsequent eligibility information. The enhanced WEB site will be in place during Program Year 2002. Continued enhancements to the WEB site will be ongoing.
- Carry on a state and local public relations effort informing training providers throughout the state of the potential of the eligible training provider list and the WIB subsequent eligible process. Although done in PY'99, efforts will be made to intensify the outreach throughout the year. As examples, the State will request the support of the State Human Resource Investment Council, the State Chamber of Commerce, the Workforce Investment Boards, and the Indiana Manufacture's Association to promote the use of the subsequent eligibility list to employers.
- The Policy & Planning Unit will provide technical assistance to the locals concerning the status of the subsequent training provider list. Memoranda and email messages will be published, as well as providing one-on-one technical assistance to a workforce investment board.

E. Description of the Individuals Impacted by the Waiver: the waiver will positively affect all customers (training providers, local WIBs, DWD, and ITA users).

- Training providers initially eligible and on the State List of Eligible Training Providers will have an additional opportunity to establish a WIA performance base before subsequent year determination has to be made.
- Local WIBs will have WIA performance information before having to make subsequent year determinations.
- DWD will have more performance information to determine statewide minimum performance levels for WIA measures.
- ITA users will have a wider selection of training providers for a longer period of time until subsequent eligibility is determined.

F. Description of the Process to Monitor Progress: The Oversight Division under the supervision of Deputy Commissioner Arin Mathies, will monitor progress being made on the activities and time frames identified in "D."