

JUN-12-2003(THU)

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SWIAD DEPT, SC ESC

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P.002/004



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COMMISSIONERS
J. William McLeod
McKinley Washington, Jr.
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1550 Gadsden Street
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Columbia, SC 29202

June 11, 2003

Ms. Emily S. DeRocco
Assistant Secretary
U.S. Department of Labor
Employment and Training Administration
200 Constitution Avenue NW
Washington, D.C. 20210

Dear Ms. DeRocco:

On behalf of the South Carolina Employment Security Commission, the administrative entity for the Workforce Investment Act (WIA), I am requesting an extension to the waiver we were previously granted for the Eligible Training Provider List, which expires on June 30, 2003. Please see the attached initial waiver request of the subsequent eligibility requirement that all mandated performance items must be submitted and acceptable levels met for programs/courses to remain on the List. I am requesting a waiver extension through June 30, 2004, to allow us additional time to address the barriers our State continues to face towards system building and producing the required data.

The following is a list of goals outlined in the initial waiver request, along with the progress we have made towards meeting these goals during the waiver period:

- *The State, local areas and training providers will collaborate and coordinate together to develop systems for data collection, and/or determine alternative sources of substantially similar data.*

The State Workforce Investment Administrative Department (SWIAD) explored linking the Employment Tracking and Occupational Data (ETROD) and Eligible Provider systems for data collection, as well as, discussed substantially similar forms of data that may be used with the South Carolina Commission on Higher Education. However, an additional barrier in regard to the Family Educational Rights and Privacy Act (FERPA) and the confidentiality of student records has prevented us from pursuing these options further.

The State and local areas have collaborated together to develop the Virtual One-Stop (VOS) on-line reporting system, which was implemented on October 4, 2002. VOS is a real-time, on-line system for

Your
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to a New Career

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WIA intake, case management, tracking of services, follow-up and reporting. With this new system we will have the capability of retrieving performance data for WIA students by course/program. Over the next year, we anticipate adding a consumer reports component to the VOS system to further our data collection capabilities for the Eligible Training Provider System.

- *The waiver will allow additional time for training providers to compile the required data.*

We continue to face difficulties with the reporting of "all student" data by course/program. Many providers indicate that the collection of this data is not cost effective for them. Due to numerous budget cuts in our State, many of the Technical Colleges and Universities do not have the manpower available to produce the specific data required under the Eligible Provider System. Also, we have faced barriers with confidentiality issues and the FERPA. However, we will continue to encourage the collection of this data, but do not want to remove a viable training provider from our State List due to lack of resources available to collect the data.

- *WIA participants to enter and exit the system to produce WIA student data.*

With the passage of time, our WIA student database continues to increase as more participants move through the system, resulting in additional data for course/program evaluation. We still have some gaps in retention data, which should be corrected as follow-up information becomes available and is added to the VOS system. As stated earlier, the VOS system will allow us to retrieve the data by course/program, thus relieving the burden of WIA student data collection from the training provider.

- *Performance levels to be brought up for new and existing programs.*

Since the collection of "all student" data is not complete, it is difficult to determine performance levels for some providers. However, pending this waiver, we have requested LWIA administrators to submit any partial data available for those training providers extended through June 30, 2003. With the receipt of this data, we should be able to better determine performance levels. In regard to the WIA student data, performance levels appear to be improving as more WIA participants are included in the performance calculations.

We have made significant progress in the past year towards the development of our Eligible Training Provider System. Currently, South Carolina's List has 124 providers at 167 locations with 2771 programs/courses available. This large variety of training

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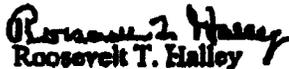
Ms. DeRocco

June 11, 2003

programs has greatly enhanced the WIA principle of consumer choice in our State. There are still some shortfalls that we are dealing with, as described above. However, we will continue to collaborate and coordinate with local areas and training providers to serve the training needs of our existing and emerging workforce, and further the success of workforce development in our State.

Any questions concerning this request should be directed to Sam Jordan at (803) 737-2611 or email to sjordan@scex.org.

Respectfully Submitted,


Roosevelt T. Halley
Executive Director

RTT/dcs

ES-5

cc: Dr. Helen Parker

Attachment: Eligible Training Provider Waiver Request of March 13, 2002



JUN 21 2002

The Honorable Jim Hodges
Governor of South Carolina
Columbia, South Carolina 29211-1829

Dear Governor Hodges:

It is with pleasure that I respond to your 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 section 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 663.520)

The state's waiver submission (copy enclosed) requested a waiver of the ETP requirement that all mandated performance items must be submitted for programs/courses to remain on the list. We interpret this as a request for a waiver of the time limit on the period of initial eligibility of training providers found at 20 CFR 663.530. Under the waiver, the state proposes to postpone the determination of subsequent eligibility of training providers until June 30, 2003. The state indicates that the reason for this request is to give South Carolina sufficient time to meet the data collection requirements. In support of these principles, the state reports that this waiver would permit it to continue to offer a wide variety of training programs to meet the workforce needs in South Carolina, while striving to collect sufficient performance data to accurately reflect the quality of the programs being offered. The state believes that the waiver will enhance the



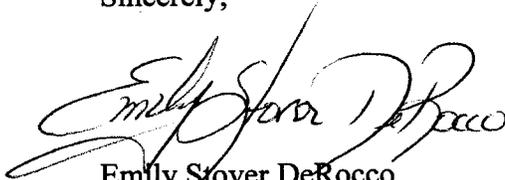
implementation of the WIA concepts of consumer choice and accountability. The waiver is written in the format identified in WIA section 189(i)(4)(B) and 20 CFR 661.420(c). Upon review, the state's request, including supplemental information provided by the state addressing implementation issues, the benefits and outcomes expected if the waiver is granted and the comment process for the waiver, 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 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, 2003, as requested by the state. The effect of this waiver is to extend the period of initial eligibility of providers through Program Year (PY) 2002, and to have the subsequent eligibility determination process completed in preparation for program operations in PY 2003, beginning July 1, 2003.

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 South Carolina's approved five-year strategic plan. A letter is being sent to your state WIA Liaison, which supplements this notification letter and spells out the terms and conditions that apply to the granted waivers. A copy of each 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 South Carolina. We are prepared to entertain other state and local-level waiver requests that South Carolina may wish to submit, consistent with the provisions of the Act and regulations.

Sincerely,



Emily Stover DeRocco
Assistant Secretary

Enclosure

1550 Gadsden Street
Post Office Box 995
Columbia, SC 29202

March 13, 2002

Ms. Anna W. Goddard
Regional Administrator
U.S. Department of Labor
Employment and Training Administration
Atlanta Federal Center
61 Forsyth Street, S.W.
Room 6M-12
Atlanta, GA 30303

Dear Ms. Goddard:

As the administrative entity for the Workforce Investment Act (WIA), I am transmitting a follow-up to the Eligible Training Provider List waiver request, dated January 8, 2002. The Regional and National Offices reviewed the original waiver request, and advised us that additional information was needed to make a determination. Enclosed is a detailed waiver request that addresses this information.

We are requesting a waiver, through June 30, 2003, of the subsequent eligibility requirement that all mandated performance items must be submitted and acceptable levels met for programs/courses to remain on the list, to allow additional time for:

- The State, local areas and training providers to collaborate and coordinate together to develop systems for data collection, and/or review alternative sources of data
- Training providers to compile the required data
- WIA participants to enter and exit the system to produce WIA student data
- Performance levels to be brought up for new and existing programs

We appreciate all the helpful assistance and support we received from the Regional Office staff in putting together this waiver request. If there are questions concerning this request, or if additional information is needed, please contact Sam Jordan at (803) 737-2789 or email to sjordan@sces.org.

Respectfully Submitted,

/s/
C. Michael Mungo
Executive Director

CMM/des
ES-5
Enclosure

STATE OF SOUTH CAROLINA
WAIVER REQUEST
WORKFORCE INVESTMENT ACT:
SUBSEQUENT ELIGIBILITY OF TRAINING PROVIDERS

The South Carolina Employment Security Commission (SCESC), the State administrative entity for the Workforce Investment Act (WIA), is requesting a waiver until June 30, 2003, of the Eligible Training Provider List requirement for subsequent eligibility that all mandated performance items must be submitted and acceptable levels met for programs/courses to remain on the List. This waiver is being requested to allow sufficient time to meet the data collection requirements. We understand the critical importance of performance information in meeting the WIA principles of consumer choice and provider accountability. In support of these principles, this waiver would permit us to continue to offer a wide variety of training programs to meet the workforce needs in our State, while striving to collect sufficient performance data to accurately reflect the quality of the programs being offered.

This waiver request is being written in the format identified in Section 189(i)(4)(B) of the Act and Section 661.420 (c) of the Regulations.

- A. **Statutory Regulations to be Waived:** WIA Section 122(c)(5) and WIA Regulations 663.535(c)(1) and (2) stipulate that Providers must annually submit performance information as described at WIA Section 122(d)(1) and (2), and Providers and programs must annually meet the minimum performance levels described at WIA Section 122(c)(6).
- B. **Goals to be Achieved by the Waiver:**
Allow sufficient time for:
- The State, local areas and training providers to collaborate and coordinate together to develop systems for data collection, and/or determine alternative sources of substantially similar data
 - Training providers to compile the required data
 - WIA participants to enter and exit the system to produce WIA student data
 - Performance levels to be brought up for new and existing programs
- 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:**
During Program Year 2000 (July 1, 2000 – June 30, 2001), South Carolina's 12 Local Workforce Investment Areas (LWIAs) issued 770 ITAs. For Program Year 2001 so far, the LWIAs have issued 792 ITAs. Currently, there are 81 training providers on the Eligible Provider List that offer 1611 programs/courses at 116 locations, which includes 15 out-of-state locations. The List is available on the Internet at www.sces.org/webwia/Providers/index.asp.

The majority of training providers on the Eligible Training Provider List requested extensions through 12/31/01, primarily because data was not available to meet subsequent eligibility requirements. Many providers do not have systems in place or manpower available to produce the required performance information in the specified timeframe. These include Continuing Education (CE) providers and short-term training providers, such as those who offer computer skills upgrading. Due to the enormity of these student populations, their transient nature, and the fact that continuation of these types of programs are justified more by cost-effectiveness of offering the courses than sufficient placement of the graduates, they are not required to collect performance data. However, these programs are viable sources of short-term training for many clients referred under WIA.

Also, programs should not be discounted that have had no WIA participants, or not enough time to exit WIA students to collect follow-up data for subsequent eligibility. Removing programs/courses from the List, because the provider is unable to produce sufficient data for subsequent eligibility would decrease our List by at least 50%. This would certainly go against the intent of WIA by severely limiting consumer choice in our State.

The waiver will allow additional time to develop systems for data collection, and explore alternative sources of data. The following measures have been taken toward the accomplishment of this goal:

- The State Workforce Investment Administrative Department (SWIAD) has established an ongoing dialogue with the Labor Market Information (LMI) division of SCESC, which manages the Employment Tracking and Occupational Data (ETROD) system. The purpose of these discussions has been to determine the feasibility of integrating the ETROD and Eligible Training Provider systems for data collection purposes. This is particularly promising in light of the pending implementation of the Virtual One-Stop (VOS) on-line reporting system in South Carolina. The VOS is scheduled for testing in April 2002, with full implementation by July 2002. VOS will facilitate the linkage of the ETROD and Eligible Training Provider systems.

The ETROD system was developed by LMI to evaluate data for follow-up at the conclusion of training. This follow-up information will come from a variety of informational sources, including the SCESC's wage records database (which covers 98% of the State's workforce). Other sources include comparable wage data in neighboring states, data on participants and completers from partner agencies and programs, and special surveys. With the availability of these varied and extensive sources, users of ETROD information can evaluate their programs more efficiently.

Currently, some of our technical colleges on the State List are using this service for a minimal fee per person. The data generated by ETROD does not include all the required performance items for subsequent eligibility. However, the data is substantially similar enough to make a determination.

- Prior to the implementation of WIA, as we were trying to define our system, we met with the Higher Education System (HES) to determine if the performance accountability information they collect on an ongoing basis could suffice as substantially similar to the required WIA data for program evaluation. Currently, we continue our discussions with HES to identify alternative data sources to avoid duplication of reporting by the training providers.

The waiver will allow additional time for training providers to compile the required data. During this time the State will be available to provide technical assistance to the LWIAs and training providers on methods of collecting data.

The waiver will allow additional time for WIA participants to enter and exit the system to produce WIA student data, and performance levels to be brought up for new and existing programs. The passage of time is needed to have an adequate sample of students to make an accurate evaluation of the quality of the program. South Carolina has been successful at recruiting training providers, evidenced by the substantial amount of programs included on the List. We would not want to limit customer choice by unfairly judging programs, because of a lack of participants.

Pending this waiver, we have requested LWIA administrators to submit any partial data available for training providers extended through December 31, 2002, that do not have all the required performance data for subsequent eligibility. We are also requesting a written justification for any missing data, and updated cost information if applicable.

E. Description of the Individuals Impacted by the Waiver:

All WIA customers will benefit from this waiver:

- WIA participants eligible for training will have more training programs and in-demand occupational choices available to them to meet workforce needs.
- Training providers will have additional time to collect data for evaluation, and serve WIA customers.
- LWIAs will be able to obtain additional data to more accurately determine the quality of the programs on the List for subsequent eligibility.
- Employers will be able to hire from a larger pool of individuals with occupational skills, which helps boost the overall economy of the area.

- The SWIAD will have additional time and data to determine continuous improvement strategies.

F. Description of the Process to Monitor Progress:

The SWIAD will monitor the progress being made towards the waiver goals on an ongoing basis. Data gaps can be identified through the collection of subsequent eligibility applications, and periodic review of the main computer database of information housed in the SWIAD. Letters of justification for the missing data from the LWIA will be reviewed, and their corrective plans followed up on to determine progress. Quarterly written progress reports can be provided if necessary.

G. Was this request discussed with the Local Boards?

The eligible training provider system is a standing agenda item on the LWIA administrators' monthly meetings, who in turn, report back to their Local Boards. Feedback from these discussions of the difficulties each area was having in producing all the required data for subsequent eligibility and their concerns of losing many viable training providers from the List prompted this waiver request.

H. What public input has been taken?

While there has been no formal solicitation of public input concerning this waiver, we believe that feedback elicited from the LWIA administrators' meetings indirectly satisfies this requirement.



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COMMISSIONERS
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McKinley Washington, Jr.
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EXECUTIVE DIRECTOR
C. Michael Mungo
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1550 Gadsden Street
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January 8, 2002

Ms. Emily S. DeRocco
Assistant Secretary
U.S. Department of Labor
Employment and Training Administration
200 Constitution Avenue NW
Washington, D.C. 20210

Dear Ms. DeRocco:

On behalf of the South Carolina Employment Security Commission, the administrative entity for the Workforce Investment Act (WIA), I am requesting a waiver of the Eligible Training Provider List requirement for subsequent eligibility that all mandated performance items must be submitted and acceptable levels met for programs/courses to remain on the List.

The majority of training providers on the Eligible Training Provider List requested extensions through 12/31/01, primarily because data was not available to meet subsequent eligibility requirements. This was due to the following factors:

- Many providers do not have systems in place or manpower available to produce the required performance information in the specified timeframe. These include Continuing Education providers, who are not required to collect performance information on students. Also, short-term training providers, such as those who offer computer skills upgrading, are not traditionally geared towards the collection of performance data.
- There have been no WIA participant enrollments in many programs on the List to produce WIA performance data.
- Insufficient time has elapsed for those WIA participants enrolled in training programs to exit and be eligible for the follow-up performance measures.

Some providers requested extensions because some or all of the performance data items did not meet the minimum performance levels, which the State allowed each local area to set.

We understand the critical importance of performance information in meeting the WIA principles of consumer choice and provider accountability. However, removing programs/courses from the List, because the provider is unable to produce sufficient data for subsequent eligibility or minimum performance levels cannot be met for each measure, would decrease our List by at least 50%. This would certainly go against the intent of WIA by severely limiting consumer choice

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in our State. Currently, South Carolina's Eligible Training Provider List has 71 training providers at 99 locations with 1768 programs/courses available. This large variety of programs is necessary for successful workforce development in our State to help serve the training needs of the existing and emerging workforce.

I am requesting this waiver be granted through June 30, 2003, in order to allow additional time for:

- The State, local areas and training providers to collaborate and coordinate together to develop systems for data collection, and/or review alternative sources of data
- Training providers to compile the required data
- WIA participants to enter and exit the system to produce WIA student data.
- Performance levels to be brought up for new and existing programs.

Pending the 12/31/01 extension deadline, we have requested local area administrators to submit any partial data that is available for training providers that do not have all the required performance data for subsequent eligibility, and a written justification for the missing data.

The challenges of implementing the workforce investment system in South Carolina during the previous year have made a significant impact on the delivery of job training, employment and educational services offered in our State. The availability of a significant number of competent training providers offering a wide variety of training programs and occupational choices on the Eligible Training Provider List is of key importance to the continued success of this new system.

Any questions concerning this request should be directed to Sam Jordan at (803) 737-2789 or email to sjordan@sces.org.

Respectfully Submitted,



C. Michael Mungo
Executive Director

CMM/des
ES-5
cc: Anna Goddard