

**FACSIMILE TRANSMITTAL SHEET**

UNITED STATES DEPARTMENT OF LABOR  
EMPLOYMENT AND TRAINING ADMINISTRATION  
OFFICE OF WORKFORCE SECURITY  
Sam Nunn Atlanta Federal Center  
61 Forsyth Street, S.W., Room 6M12  
Atlanta, Georgia 30303

**Attention: Tennessee Waiver Request!!**

**TO:** Mr. Sean Kelly  
USDOL/ETA  
Fax# (202) 693-3015

**NO. OF PAGES TO FOLLOW:** 6

**DATE TRANSMITTED:** 12/19/03

**APPROVAL:**



**FROM:** Gene Caso, Region 3 USDOL/ETA

**TELEPHONE No.** 404\562-2119

**COMMENTS:**

Scan: Attached is Tennessee's letter requesting the waiver. The correspondence should be identical to what we transmitted via e-mail.

GENE CASO



STATE OF TENNESSEE  
**DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT**  
DIVISION OF EMPLOYMENT AND WORKFORCE DEVELOPMENT  
Employment and Training Section  
Davy Crockett Tower  
500 James Robertson Pkwy., 12<sup>th</sup> Floor  
Nashville, TN 37245  
(615) 741-1031

November 10, 2003

Ms. Helen Parker  
Regional Administrator, United States Department of Labor  
Employment and Training Administration  
61 Forsyth St. S.W., Room 6M12  
Atlanta, GA 30303

Dear Ms. Parker:

Tennessee is requesting a waiver on the regulatory prohibition of using Individual Training Accounts (ITAs) for youth (20 CFR 664.510), which would allow youth to use ITAs and access training through training providers included on the Eligible Training Provider list. We seek this waiver for the entire state consisting of thirteen local Workforce Investment Areas.

Tennessee has a high-quality WIA youth system in the state, and we strive to improve the comprehensive services offered to youth. Youth, especially out-of-school youth and/or older youth, desire access to the resources necessary to obtain self-sufficient, full-time employment. This waiver would improve customer choice for youth.

Career Centers would have more comprehensive training services to offer youth that can benefit from these services. Youth would not have to register in both youth and adult programs. The waiver would also allow for ease in tracking of funds for each funding stream.

As outlined in Training and Guidance Letter (TEGL) No. 12-01, attached are responses to the requested items in TEGL, Attachment B.

Sincerely,

A handwritten signature in black ink, appearing to read "James G. Neeley".

James G. Neeley

JGN:SVDS

cc: Elaine Perryman, Administrator, Employment and Workforce Development  
Sterling van der Spuy, Employment and Training  
✓ Gene Caso, Atlanta Region III Office  
Susie Bourque, Employment and Training

Attachments

**STATE OF TENNESSEE  
WAIVER REQUEST  
WORKFORCE INVESTMENT ACT:**

The Tennessee Department of Labor and Workforce Development (DLWD), as the administrative entity for the Workforce Investment Act (WIA) in the State of Tennessee, is requesting a waiver of the regulatory prohibition of the use of Individual Training Accounts (ITAs) for youth.

In compliance with WIA Section 189(I)(4)(B) and WIA Regulations 661.420(c), please accept the following as a request for a waiver.

**A. Statutory Regulation to be Waived:**

WIA Regulation 29 CFR §664.510 prohibits the use of Individual Training Accounts for youth. This waiver requests the use of Individual Training Accounts to access occupational skills training as needed for WIA youth, especially out-of-school youth and/or older youth.

**B. Goals to be Achieved by the Waiver:**

- Ensure local areas have the flexibility needed to design and deliver programs based on the needs of their customers, rather than on restrictions based on the age of the customer.
- Provide access to the required youth element of occupational skills training without the need to dual-enroll a youth as an adult to provide this element.
- Allows training opportunities for youth in demand occupations that can enable the youth to become self-sufficient.
- Provide Youth access to training needed instead of only the training opportunities that might be available through an RFP process. Training institutions have little interest in developing and submitting a proposal for youth training in response to an RFP.
- Allow more efficient use of resources by allowing youth dollars to be spent on youth and adult funds to be spent on adults.
- Eliminate the need to dual enroll a youth just to be able to provide the specific training needed by the youth to attain their occupational goal as is currently necessary for a youth to access occupational skills training through the Adult Individual Training Account (ITA) and Eligible Training Provider List (ETPL) process.
- Offer Youth the customer choice and informed decision making opportunities specified in Section 129 of the Act through use of the ITA/ETPL process.
- Allow Youth to be counted only in the appropriate youth measures instead of in both the youth and adult measures. Youth and an adult. (This can be especially critical when serving challenging populations such as Older Youth.)

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

There are no existing state or local statutory or regulatory barriers to implementing this waiver request.

**D. Description of the Goals of the Waiver and Expected Outcomes:**

The implementation of WIA brought a shift from short-term approaches in providing youth training activities to a comprehensive, year-round program. The

legislative intent of WIA was to provide more comprehensive services to youth with both in-school and out-of-school youth being served. We fully agree with the intent of the legislation but do not feel that contracted year round services are the only way or always the best way to serve our youth population.

Youth may currently access Individual Training Accounts (ITAs) through co-enrollment into the adult program. Approval of this waiver would allow flexibility in using youth funds to provide training services to youth while retaining limited adult funds to be used on adult training services. Co-enrollment would still be a viable option if the needs of the customer warrant co-enrollment. Being able to access the Eligible Training Provider (ETP) List would allow more comprehensive services to be provided to the WIA youth being served in Tennessee. The Tennessee Higher Education Commission (THEC) provides a consumer report available via web site that provides consumers with enrollment, completion and placement data on each program on the ETP List. Utilizing the ETP List would enhance the local areas' ability to better serve youth by not having to issue a Request for Proposal for the single stand alone training services that might be needed by one or a small group of youth.

§664.510 states, "in order to enhance youth participant choice, youth participants should be involved in the selection of educational and training activities." Receiving this waiver would provide the youth customers with more opportunity to be strongly involved in the development of their service strategies. Each local area would outline a youth strategy through the local plan process.

Receiving this waiver will allow the local areas in Tennessee to more efficiently and cost effectively, serve the youth population. The local areas could also better manage WIA Performance Measures by receiving this waiver. The ultimate outcome would be that individual needs of the youth will be better served.

WIA requires local areas make available a menu of ten program elements, specified at 20 CFR 664.410, to eligible youth. These required program elements include occupational skills training. Currently, it is difficult to provide that element to our youth. We believe the intent of this waiver request is practical and needed for successful outcomes for youth. We will, through the local plan process, require that the local workforce investment areas outline a plan of action to ensure compliance with this regulation for persons receiving occupational skills training through the use of an Individual Training Account.

**E. Description of the Individuals Impacted by the Waiver:**

This waiver will positively impact all youth customers. These customers will benefit from having more opportunities for training activities available to them. This waiver will also positively impact adult customers, as limited adult funds will not be needed to serve all youth customers accessing occupational training.

**F. Description of the Process to Monitor Progress:**

DLWD will be the entity responsible for monitoring the goals established in this waiver request. We will also be responsible for monitoring the local area process during annual on-site reviews of each local area. (See attached state policy)

**G. Opportunity for Local Boards to Comment on the Waiver Request:**

This waiver request was initiated based on needs identified by local area Youth Leads.

**H. Public Comment on the Waiver Request:**

The public comment period for this waiver request will be issued from November 10, 2003 through November 30, 2003.

**I. Additional Information**

If this waiver is granted, the Tennessee Department of Labor and Workforce Development, administrator of the Workforce Investment Act in Tennessee, will issue through guidance memorandums, authority for the thirteen Local Workforce Investment Areas (LWIAs) to pursue the use of Individual Training Accounts (ITAs) for youth utilizing the methodology outlined in sections 663.400-440 and 663.500-595 of the regulations.

Each local area will be required to amend their local area plan to include use of this process for youth. They will also be required to implement guidelines outlining how the ITA will be utilized, including the maximum length of training and the maximum amount of allowable funding.

Each LWIA will follow state and locally established policies and procedures governing the use of the ITAs. The LWIAs will be encouraged to monitor the process through internal monitoring processes. The state will monitor the process during the annual on-site reviews of each local area.

This waiver will be in effect January 1, 2004.

**DRAFT****November 10, 2003****Workforce Investment Act Memorandum Number E&T 03-26**

- Topic:** Process that will be used to implement the waiver approved for youth
- Subject:** Waiver to use Individual Training Accounts (ITAs) for Out of School Youth
- Purpose:** To provide guidance and instructions used in providing ITAs for out-of-school and in-school-youth
- Background:** The ten elements specified in Section 129 (c) (2) have been the backbone for developing the overall growth of the youth population. To bridge the gap between what youth learn in the educational system and the adult world of work Tennessee has requested a waiver from USDOL to make ITAs available to out of school/older youth. The exposure of seniors in high school to ITAs and the experiences gained in various trainings will provide insight and assist in making their career choices. It will also help out-of-school-youth to have several options for career changes.
- Instructions:** Listed below are instructions for LWIAs who choose to participate in the waiver process which allows for providing ITAs for senior youth in high school and out-of-school youth.
- The LWIA will coordinate with youth contractors for eligibility determination.
- Each local board will develop the criteria that will select in-school or out-of-school youth to be eligible for ITAs including documentation in the IDP and the process on how training list providers will be utilized.

The criteria developed will be made available to the state youth coordinator for his comments.

**Contact:** Questions concerning this memorandum should be directed to Sterling Van Der Spuy, Youth Services, at (615) 532-5945.

**Effective date:** January 1, 2004

**Expiration Date:** Indefinite