



MAR 9 2004

The Honorable Phil Bredesen
Office of the Governor
State Capitol
Nashville, Tennessee 37243-0001

Dear Governor Bredesen:

It is with pleasure that I respond to the State of Tennessee's request for a waiver of 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 WIA Section 189(i)(4)(A), and in the implementing regulations at 20 CFR 661.420.

The following is the disposition of the waiver submission.

Requested Waiver: Waive the provision of 20 CFR 664.510 to allow local areas to use Individual Training Accounts for older and out-of-school youth participants.

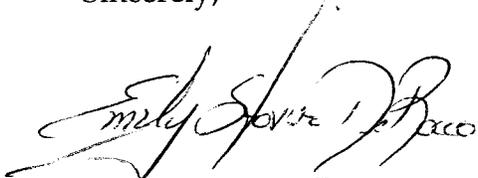
The State of Tennessee is requesting a waiver (copy enclosed) of the prohibition on the use of Individual Training Accounts (ITAs) for youth found at 20 CFR 664.510. The State indicates that the waiver would offer flexibility in using youth funds to provide training services to youth while retaining limited adult funds to be used on adult training services. It further states that the waiver would allow local areas to enhance delivery of occupational skills training and promote better customer choice for youth. The waiver is written in accordance with WIA Section 189(i)(4)(B) and 20 CFR 661.420(c) and appears to meet the standard for waiver approval at 20 CFR 661.420(e).

Accordingly, the State of Tennessee is granted a waiver of the prohibition on the use of ITAs for older and out-of-school youth at 20 CFR 664.510 so they can benefit from services provided by the State's certified eligible training providers. Under the waiver, local workforce boards will have the option to use the Eligible Training Provider system to secure training providers for these two youth populations, as appropriate. The waiver is granted through June 30, 2004.

The granted waiver is incorporated by reference into the State's WIA Grant Agreement, as provided under paragraph 3 of the executed Agreement, and also constitutes 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 specifically defines the terms and conditions that apply to the granted waiver. A copy of each letter should be filed with the State's WIA Grant Agreement and approved five-year 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 a large initial "E" and "D".

Emily Stover DeRocco

Enclosure