



JUN 15 2012

The Honorable Sean Parnell  
Governor of Alaska  
P.O. Box 110001  
Juneau, Alaska 99811-0001

Dear Governor Parnell:

This letter provides approval of an extension of Alaska's current Workforce Investment Act (WIA) and Wagner-Peyser Act (W-P) State Plan for a portion of Program Year (PY) 2012. This letter also provides approval of extensions for Alaska's current waivers. Training and Employment Guidance Letter (TEGL) No. 21-11, issued on March 27, 2012, provides guidance for states to secure approval of their WIA/W-P State Plans and waivers for PY 2012. In accordance with TEGL No. 21-11 and your extension request, the State must submit a full five-year WIA/W-P State Plan and annual W-P Agricultural Outreach Plan by September 15, 2012.

#### Extension of State Plan

Alaska's existing State Plan will expire on June 30, 2012. This letter constitutes a written determination under WIA Section 112 (29 USC 2822) that the Employment and Training Administration (ETA) is temporarily extending the approval of Alaska's State Plan for WIA Title I and the Wagner-Peyser Act into PY 2012, for the period July 1, 2012 through December 31, 2012. The State already received its formula allotment for the WIA Youth program for PY 2012. The State is eligible to receive WIA formula allotments for the Adult and Dislocated Worker programs under the PY 2012 Annual Funding Agreement. The W-P Annual Funding Agreement on PY 2012/Fiscal Year 2013 will provide the W-P Act initial base allocation of PY 2012 funds.

#### Performance Levels

Alaska requested to temporarily extend its existing PY 2011 WIA and W-P performance goals for a portion of PY 2012. ETA has incorporated these performance goals, identified as PY 2012 performance goals, into the Regional and National Office copies of the State Plan. Please include these PY 2012 goals in the State's official copy of the State Plan. As required by TEGL 21-11, the state must renegotiate its new PY 2012 goals upon submission of its full State Plan.

## Waivers

As part of the State's extension of the WIA/W-P Act State Plan, and as described in TEGL No. 21-11, the State requested temporary extensions of Alaska's PY 2011 waivers of statutory and regulatory requirements under WIA for PY 2012. The disposition of the State's waiver is outlined below. This action is taken under the Secretary's authority at WIA Section 189(i) to waive certain requirements of WIA Title I, Subtitles B and E, and Sections 8-10 of the Wagner-Peyser Act.

### Waiver of WIA Section 133(b)(4) to increase the allowable transfer amount between Adult and Dislocated Worker funding streams allocated to a local area.

The State was previously granted a waiver to permit an increase in the amount a state is allowed to transfer between the Adult and Dislocated Worker funding streams. The State is granted an extension of this waiver through December 31, 2012. Under the waiver, transfer authority is limited to 50 percent. This limitation provides states flexibility while ensuring consistency with Congressional intent regarding the level of funding appropriated for the WIA Adult and Dislocated Worker programs.

### Waiver to permit the State to replace the performance measures at WIA Section 136(b) with the common measures.

The State was previously granted a waiver that allows the State to replace the 17 performance measures under WIA Section 136(b) with the common measures. The State is granted an extension of this waiver through December 31, 2012.

This waiver permits the State to negotiate and report WIA outcomes against the common performance measures only, rather than the performance measures described at WIA Section 136(b). The State will no longer negotiate and report to ETA on the following WIA measures: WIA adult and dislocated worker credential rates; participant and employer customer satisfaction; older youth measures; and younger youth measures. The State will use the three adult common performance measures to negotiate goals and report outcomes for the WIA Adult and WIA Dislocated Worker programs. The State will use the three youth common performance measures to negotiate goals and report outcomes for the WIA Youth program. Workforce Investment Act Standardized Record Data system (WIASRD) item 619, Type of Recognized Credential, should be completed for each individual as appropriate, regardless of this waiver to report on common performance measure outcomes only.

Waiver of the required 50 percent employer contribution for customized training at WIA Section 101(8)(C).

The State was previously granted a waiver of the required 50 percent employer contribution for customized training to permit the use of a sliding scale for the employer contribution based on the size of the business. The State is granted an extension of this waiver through December 31, 2012. Under the waiver, the following sliding scale is permitted: 1) no less than 10 percent match for employers with 50 or fewer employees, and 2) no less than 25 percent match for employers with 51-250 employees. For employers with more than 250 employees, the current statutory requirements (50 percent contribution) continue to apply. When determining the funding source for customized training, the State must use the appropriate program funds for the appropriate WIA-eligible population. The State and local area may provide customized training to individuals 18 years of age or older with WIA Adult funds and must provide priority to low-income individuals when funds are limited; the State and local area may provide customized training to dislocated workers with WIA Dislocated Worker funds. Customized training provided with statewide funds must serve WIA eligible individuals.

Waiver of the provision at 20 CFR 663.530 that prescribes a time limit on the period of initial eligibility for training providers.

The State was previously granted a waiver of the time limit on the period of initial eligibility of training providers provided at 20 CFR 663.530. The State is granted an extension of this waiver through December 31, 2012. Under the waiver, the State is allowed to postpone the determination of subsequent eligibility of training providers. The waiver also allows the State to provide an opportunity for training providers to re-enroll and be considered enrolled as initially eligible providers.

Waiver of WIA Section 101(31)(B) to increase the employer reimbursement for on-the-job training.

The State was previously granted a waiver to permit an increase in employer reimbursement for on-the-job training through a sliding scale based on the size of the business. The State is granted an extension of this waiver through December 31, 2012. Under the waiver, the following reimbursement amounts will be permitted: 1) up to 90 percent for employers with 50 or fewer employees, and 2) up to 75 percent for employers with 51-250 employees. For employers with more than 250 employees, the current statutory requirements (50 percent reimbursement) will continue to apply. When determining the funding source for on-the-job training, the State must use the appropriate program funds for the appropriate WIA-eligible population. The State and

local area may provide on-the-job training to individuals 18 years of age or older with WIA Adult funds and must provide priority to low-income individuals when funds are limited; the State and local area may provide on-the-job training to dislocated workers with WIA Dislocated Worker funds. On-the-job training provided with statewide funds must serve WIA eligible individuals.

Waiver to permit WIA participants who enter seasonal employment occupations to be counted in an alternative format for performance measures at WIA Section 136(b)(2)(A)(i)(II) and 20 CFR 666.140.

The State continues to need flexibility to address the seasonal nature of much of the State's workforce. We are granting an extension of the waiver through December 31, 2012. Under this waiver, the State is not required to apply the core retention performance measure to such WIA participants that enter seasonal employment occupations. Instead, the State may apply the alternative retention performance measure to Adult, Dislocated Workers, and Older Youth exited into seasonal employment, but only in borough/census areas where seasonal unemployment averages greater than 8 percent from November through March and would equal the same 6-month retention rate percentages already negotiated for each of these three programs. This waiver allows the state to use the following alternative retention performance measure:

*Of those seasonal workers employed in first quarter after exit:*

Number of employed in a seasonal job who are employed in second quarter after exit.

Number of employed in a seasonal job who exit during the quarter.

Waiver of WIA regulations at 20 CFR 661.300(f) to allow the State Board to carry out the roles of a Local Board.

The State was previously granted a waiver to permit the state to apply 20 CFR 661.300(f) to the statewide regional planning area described in its State Plan. This provision allows states that operate as a single local workforce investment area to use the state workforce investment board to carry out the requirements of the local workforce investment board. The State is seeking to continue to use its State Board to carry out the roles and responsibilities of the Local Boards in the designated region encompassing the state.

We are granting the waiver through December 31, 2012. Under the waiver, the Governor may designate the State Board to carry out the roles and responsibilities of the Local Boards in the designated region encompassing the state, in the same manner as permitted in single service delivery area states.

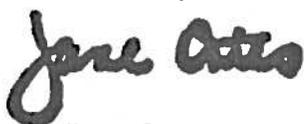
Waiver of the prohibition at 20 CFR 664.510 on the use of Individual Training Accounts for older and out-of-school youth.

The State was previously granted a waiver of the prohibition at 20 CFR 664.510 on the use of Individual Training Accounts (ITAs) for older youth and out-of-school youth program participants. The State is granted an extension of this waiver through December 31, 2012. Under this waiver, the State can use ITAs for older youth and out-of-school youth program participants. The State must continue to make the 10 youth program elements available as described at WIA Section 129(c)(2). The State should ensure that funds used for ITAs are tracked and that the ITAs are reflected in the individual service strategies for these youth.

The approved waivers are incorporated by reference into the State's WIA Grant Agreement, as provided for under paragraph 3 of the executed Agreement, and this constitutes a modification of the State Plan. A copy of this letter should be filed with the State's WIA Grant Agreement and the approved State Plan. In addition, as described in TEGL No. 29-11, the State should address the impact that these waivers have had on the State's performance in the WIA annual performance report, due on October 1 of each year.

We look forward to receiving your full State Plan for PY 2012 and working together as you implement your State workforce strategies. If you have any questions related to the issues discussed above, please contact Ingrid Nyberg the Federal Project Officer for Alaska, at 415-625-7947 or Nyberg.Ingrid@dol.gov.

Sincerely,



Jane Oates  
Assistant Secretary

Enclosure

cc: Todd Yamamoto, Acting Regional Administrator, ETA San Francisco Regional Office  
Ingrid Nyberg, Federal Project Officer for Alaska

# STATE OF ALASKA

## Department of Labor and Workforce Development

OFFICE OF THE COMMISSIONER

SEAN PARNELL, GOVERNOR

P.O. BOX 111149  
JUNEAU, ALASKA 99811-1149

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April 13, 2012

Ms. Kimberly Vitelli  
Division of Workforce System Support  
Employment and Training Administration  
U.S. Department of Labor  
200 Constitution Ave., NW, Room S-4231  
Washington, DC 20210

Dear Ms. Vitelli,

This letter respectfully requests an extension to Alaska's existing Workforce Investment Act Title I/Wagner-Peyser state stand-alone plan and Workforce Investment Act waivers, as listed below, to September 16, 2012.

This also advises that the state will use the additional time afforded until September 16, 2012, to develop an Integrated Workforce Plan, as defined in U.S. DOL, Employment and Training Administration's March 27, 2012 Training and Employment Guidance Letter No. 21-11.

Alaska last completed a comprehensive planning process in 2007. Since then, the state made numerous modifications to the existing plan that reflect incremental changes. Alaska understands that developing an Integrated Workforce Plan is critical for cross-program strategic planning efforts, which will address the governor's vision, provide for greater business, industry, and community involvement, and respond to a strengthened state workforce investment board.

Along with the plan extension, the state requests extension of the following Workforce Investment Act waivers:

- A waiver (WIA regulations at 20 CFR 661.300(f)) that allows the state board to carry out the roles of a local board;
- A waiver that grants authority to transfer up to 50 percent of funds between Adult and Dislocated Worker programs;
- A waiver to the requirement that employer contribute at least 50 percent for customized training;
- A waiver to increase employer reimbursement for on-the-job-training (OJT), allowing employer reimbursement for WIA participants in OJT according to the size of the business;
- A waiver accounting for seasonal employment in performance measures to address the challenge of serving seasonal workers;

Ms. Kimberly Vitelli

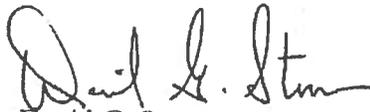
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- A waiver extending the time limit on the period of initial eligibility for training providers on the Eligible Training Provider List;
- A waiver allowing flexibility in provision of training services to youth by waiving prohibition for youth to receive Individual Training Accounts, especially out-of-school youth who need specialized training to meet career goals; and
- A waiver to maintain the common measures and approved negotiated performance goals for Adult, Dislocated Worker, and Youth programs.

Please contact the Division of Business Partnerships' Director, Corine Geldhof at (907) 465-5937, or via e-mail, [corine.geldhof@alaska.gov](mailto:corine.geldhof@alaska.gov), should you have any questions regarding this request.

Sincerely,



David G. Stone  
Acting Commissioner

cc: Ingrid Nyberg, Federal Project Officer, Region 6 Office of the Employment & Training Administration, USDOL  
Corine Geldhof, Director, Division of Business Partnerships, AK-DOLWD  
Paul Dick, Director, Employment Security Division, AK-DOLWD  
Jeff Selvey, Executive Director, Alaska Workforce Investment Board